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ABSTRACT

Focusing specifically on the two largest federal education programs, Title I of the Elementary and Secondary Education Act and the Education for All Handicapped Children Act (PL 94-142), this study analyzes how states implement federal and state education programs. The book is divided into six chapters. Chapter 1 offers background on federal-state relations and explains the research methods used, the grants-in-aid system, and the conceptual framework guiding the study. Chapter 2 describes the four states in the sample and identifies those political and organizational characteristics that shape policy implementation. Chapter 3 presents a comparative analysis of the data and discusses the conditions under which state political factors are most likely to enhance the state education agency's role and capacity. Chapters 4 and 5 examine Title I, PL 94-142, and state programs serving similar student groups. The final chapter addresses policy questions, especially those related to state capacity and its implications for changing federal and state roles in public education. (Author/WD)

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Education Policy and the Role of the States

Lorraine M. McDonnell,
Milbrey W. McLaughlin

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Lorraine M. McDonnell,
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PREFACE

This study analyzes the overall state role in implementing federal and state education programs. It focuses on state management of the two largest federal education programs, the Elementary and Secondary Education Act (ESEA) Title I (now ECIA Chapter 1), which provides compensatory education services, and the Education for All Handicapped Children Act, which serves special education students. The study also examines state-funded compensatory and handicapped education programs to compare how state governments and, specifically, state education agencies (SEAs) manage similar state and federal initiatives. The analysis treats the interaction between federal program characteristics and state-level variables; it addresses a set of policy issues that transcend individual programs and governmental levels, such as the capacity and willingness of states to serve "special needs" students and promising strategies for SEA management in a time of retrenchment and reduced federal direction. The research was supported by the National Institute of Education, Law and Governance Program, under grant NIE-G-80-0030.

The results of this study are intended for state and federal policymakers interested in improving the management of education policy generally and in providing effective services for special needs students. This research also provides a basis for assessing the probable effects of the most recent changes in federal education policy, particularly the 1981 Education Consolidation and Improvement Act (ECIA).

SUMMARY

Since the 1965 passage of the Elementary and Secondary Education Act (ESEA), the states have played a dual role in education policy. On the one hand, they must meet their constitutional responsibilities to all students by assisting districts in the financing and governance of public education. On the other hand, they are also charged with implementing a number of federal categorical programs largely designed to serve special needs students. Although these two roles place different, and sometimes competing, demands on state governments, they cannot be analyzed independently of each other. The political and organizational characteristics that shape one also shape the other.

Consequently, this study, which began as an in-depth examination of four states and their approach to federal program administration, was broadened to analyze how states implement education policy generally. In addition, however, we focused specifically on state implementation of the two largest federal education programs, ESEA Title I,[1] which provides compensatory education services, and the Education for All Handicapped Children Act (P.L. 94-142), which serves special education students. We also examined state-funded compensatory and handicapped education programs in order to compare a state's implementation of its own programs with that of federal initiatives.

This study builds on our previous field research in sixteen states and numerous local school districts, and is based on elite interviews with state legislators, legislative and gubernatorial staff, state education agency (SEA) personnel, interest group representatives, general information respondents such as newspaper reporters, and a limited number of intermediate unit and local district staff. Between October and December 1980, we interviewed approximately 30 people in each of the four states in our sample. Our analysis also relies on record data and other fieldwork and survey data we collected in these same states two years earlier as part of a study of the 1974 ESEA Title IV consolidation.

In analyzing these data, we used a framework that includes not

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[1] In July 1981, ESEA Title I was modified and included as Chapter 1 of the Education Consolidation and Improvement Act of 1981 (ECIA). The remaining titles of ESEA have been consolidated into Chapter 2 of ECIA.

This study provides an analytical link between the two programs by examining the state role in ESEA and then using this information to predict the effect of the new ECIA legislation on state behavior.

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only the interaction between program characteristics and the bureaucratic setting within which they are administered, but also the larger state political context that both shapes education programs and constrains SEA behavior. Throughout this research we tried to identify those variables that best explain implementation differences across states and programs. In some instances, these differences result from the way various state and federal programs are structured; in other cases, such variation depends on differences in state political and organizational factors.

EXPLAINING THE STATE ROLE

In most states, public education accounts for between 30 and 35 percent of total state expenditures and usually constitutes the largest single item in the state budget. Consequently, even if the substance of public education were not a political issue, its funding would be. Governors, state legislatures, and various constituent groups pay close attention not only to the total amount spent on public education, but also to how funds are allocated among districts and programmatic purposes. Both the process by which these decisions are made and the decisions themselves shape SEAs—their organizational structure, priorities, capacity, and their role in education policy. These SEA characteristics, in turn, determine how state and federal education programs are implemented in a given state.

With the exception of one governor, the governors and state legislatures in our four sample states show only a moderate, and primarily fiscal, interest in education. Yet even at this level, general government strongly determines what SEAs do and the resources they command. In addition, such issues as competency testing and improved teacher standards are often placed on an SEA's agenda simply because general government expresses an active interest in them.

Perhaps the best example of how general government constrains SEAs is in the area of federal program implementation. With the exception of handicapped education, programs for special needs students are generally not a state priority. This finding is one of the strongest to emerge from our study. Few governors and state legislators support categorical funding, and with the exception of handicapped education, interest groups representing special needs students command little visibility or political influence. As a result, SEAs are limited in the emphasis they can legitimately give to special needs students. In essence, this lack of support for federal program goals reflects a reality of state politics: Politicians win and lose elections not on how well special needs students are served, but on how well the state's primary responsibility for general education is met.

Winning elections, and the broader notion of political payoff, also determine whether governors and state legislators actively intervene in education policy. We found that general government officials are more likely to do so if they can package their involvement in a politically appealing way—for example, if such involvement meets specific constituent demands or if improved public education can be tied to politically relevant issues, such as greater state economic development. We also found that active involvement, particularly if it comes from the governor, can produce very positive results. Public education is made more visible; the SEA has a powerful ally in its requests for increased appropriations; and morale among state and local educators rises because the governor's active support signals that their work is recognized as worthwhile.

In all four states, we were able to identify elements of the political culture that influence the state role in education policy. The strength of local control norms is critical in shaping the state role. If local control is weak and popular attitudes sanction an active state presence in local jurisdictions, SEAs will play a much more active role in school districts than their counterparts in states with a strong local control ethos. However, this role can be either regulatory or assistance-oriented in its focus: A strong state role does not necessarily mean strong state control.

Citizen support for public education is another aspect of political culture that has obvious implications for SEA behavior, particularly in a time of fiscal retrenchment. In states where such support is high, education is much more likely to maintain its relative share as public-sector budgets contract.

A final element of political culture, important for education policy, is public support of social equity goals. We found in both this study and earlier ones that such support is very low in most states. General government's lack of support for special programs to aid disadvantaged students, then, is quite consistent with popular sentiment. In practice, this has meant that many states do not fund such programs and even if they do, these programs are often designed to achieve political, rather than educational, purposes.

Thus, the larger political context within which SEAs operate defines not only their role in the state education policy system, but also how they respond to the state and federal programs they must administer. Both state political institutions and the more nebulous, but equally important, state political culture place powerful constraints on SEA behavior.

After examining the state political context, we then looked within the SEA itself to assess how its internal structure, role, priorities, and capacity affect the programs ultimately implemented in local districts. There is no question that most SEAs have not only grown in size, but have also expanded their capacity over the past fifteen years. Increasing state needs and responsibilities, aided by federal capacity-building funds like those from the former ESEA Title V program, have meant that many SEAs can now provide more technical assistance services to local districts than they could in 1965. Certainly, state experimentation with different types of intermediate units and technical assistance strategies is evidence of this expanded capacity.

On the other hand, we found that SEAs still lack many of the resources needed to address the problems that states now face. For example, SEAs usually plan in a narrow sense, preparing federal program plans and annual budgets to submit to the governor and state legislature. All but a few, however, are incapable of long-range planning, whether to inform decisions about where the SEA and education policy generally should move over the next five years, or to determine what actions are necessary to achieve these objectives. Most SEAs are also unable to predict, except in the grossest sense, where the state's educational problems are likely to occur in the near future. This inability to plan or identify potential problems becomes particularly serious when SEAs must decide in advance how to distribute their limited financial and staff resources.

Related to the SEAs' inability to engage in long-term planning is their organizational fragmentation by funding source and program. Not only will the prior justification for this type of organizational structure disappear as more federal programs are consolidated into block grants, but also such fragmentation weakens coordination across programs and makes SEAs less effective in their dealings with local districts. This problem is not easily remedied. The experience of our four sample states indicates that an integrated approach to program management depends not on SEA structure, but on the preferences of agency leadership and whether they stress coordination as an organizational priority. Consequently, SEAs cannot simply reorganize to cope with the problems they now face. Rather, there will have to be a massive resocialization effort, particularly in those SEAs that have traditionally managed federal programs differently and independently from state ones.

Our sample states also suggest another sobering conclusion: Unless SEA capacity was developed during prior periods of public sector growth, there is little possibility of doing so now in economic hard times. With fiscal retrenchment, organizational capacity becomes a self-reinforcing notion. A fairly high level of organizational capacity is clearly necessary to manage retrenchment successfully. Yet, because of retrenchment, the funds necessary to build such capacity are unavailable. Consequently, short of a dramatic shift in state political culture and perception of the SEA role, weak SEAs are likely to decline in capacity even further. Ironically, this will occur at a time when local districts, facing their own fiscal problems, may be the most needing of and interested in a stronger SEA role.

THE STATE ROLE IN COMPENSATORY EDUCATION

Although three of the four states in our sample provide additional state monies for compensatory education, only one actually mounts a program with these funds. In the others, such funds are simply a weighting factor in the state aid formula, with the SEA serving only as a fiscal agent. Therefore, in analyzing the state role in compensatory education for these states, we are basically examining the implementation of the federally funded Title I program.

Despite major political and organizational differences across our four sample states, we found few significant differences in state-level Title I implementation. In fact, three of the four states run virtually identical Title I programs. Two factors explain this lack of variation: First, the federal government has stressed administrative compliance, almost to the total exclusion of program content or quality, in its direction of the Title I program; the allocation of SEA Title I resources thus reflects this federal emphasis. Second, because state commitment to special needs students is so low, SEAs lack sufficient incentives to require that local districts attend to program quality or to assist them in such efforts. As a result, even committed SEA staff are required to treat the program as primarily an administrative task, rather than an educational one.

One state in our sample has been able to impose its own signature on Title I and to coordinate its implementation with both the state's own compensatory education program and the general education curricula. The state can do this because political commitment to disadvantaged students is fairly high and because the state's political culture sanctions a strong, directive SEA presence in local districts. Consequently, SEA Title I staff can require that local Title I projects meet clear program-quality standards and can also provide districts with needed assistance in meeting these goals.

Since Title I is a mature program with few compliance problems, the federal government could now maintain the program's basic targeting requirements, but modify other Title I regulations and shift the focus to issues of program substance and quality. However, this is unlikely to happen. Not only does the new federal compensatory education policy weaken targeting guidelines, but also the program's funding level has been significantly reduced. Consequently, disadvantaged students can only expect to receive fewer services in the future.

THE STATE ROLE IN HANDICAPPED EDUCATION

The handicapped education programs in our four sample states are similar in several basic ways. State laws were changed to conform with the federal statute; state funds for handicapped education have increased significantly to meet P.L. 94-142 mandates; individualized education programs are now prepared for handicapped students; required due-process procedures are in place; and monitoring activities consume a great deal of SEA staff time. The four states also share common implementation problems and similar difficulties in their dealings with the federal government. At the same time, they manage their handicapped education programs in strikingly different ways—not only in funding formulas and program activities, but also in the extent to which handicapped education is integrated into the rest of the SEA.

Although the basic mandate to serve all handicapped children in the least restrictive environment, and the elaborate due-process mechanisms established by 94-142, lie at the core of each state's program, there are still important elements that vary across the states and that are explained by unique state characteristics. In fact, if we knew no more than a state's political context and SEA characteristics, and had no specific knowledge of its handicapped education programs, we could predict the extent to which handicapped education is coordinated with other SEA programs. SEA priorities and management style, not federal program characteristics, predict this aspect of each state's implementation strategy.

To some extent, then, state factors can modify federal-level variables and allow a state to stamp its own imprint on even the most tightly structured federal program. But not all states are able to do this equally well. In one state in our sample, handicapped education is essentially a federal program with few unique state elements. This situation can be partly explained by state characteristics such as SEA leadership, capacity, and priorities, and by a political culture that does not support a strong state role. But the tremendous costs of participating in 94-142 are at least equally significant in explaining this state's implementation strategy. Even if its political culture supported a stronger state role, most SEA staff resources would still have to be diverted to such mandated activities as state plan preparation and local district monitoring. A stronger state role necessitates staff resources that are presently unavailable in smaller states, particularly those with a large number of school districts. This suggests that program quality and institutional capacity might be improved if the federal government could treat states differentially depending on their size and geographic configuration. The fixed costs of state participation could also be reduced if 94-142 funds were allowed to flow directly into those states whose own laws include certain core protections. In other words, some federal requirements could be waived on the condition that state laws guarantee a certain level of services and specific due-process safeguards.

Since 94-142 is a relatively new program, the federal government's present emphasis on compliance is appropriate. At the same time, however, the federal government needs to be sensitive to issues of program maturation and the point at which regulatory approaches no longer produce significant results. Given more substantial state and local political support for it, as compared with compensatory education, the handicapped education program has the potential to become less regulatory in its approach and pay more attention to program quality and institutional capacity.

CONCLUSIONS

Policy studies are rarely conclusive in their predictions and recommendations. In this case, certainty is even more elusive because American public policy and the intergovernmental system that supports it are now undergoing such radical change. Still, the findings of this study and previous ones suggest that even in the face of fiscal retrenchment and decreased federal aid, many states have sufficient capacity to play an active role in shaping education policy and in assisting local districts.

An unanswered question is whether there exists sufficient political will to maintain and strengthen that capacity. How each state resolves this issue depends on whether SEAs and their allies can make a strong enough case for their continued existence and can mobilize the political system accordingly. Whether state political will translates into greater SEA capacity, then, is a question that will not have a definitive answer for several years.

One thing is certain, however: Most states lack the political commitment to provide additional services for special needs students.

With perhaps the exception of the handicapped, a reduced federal role means fewer services for these students. Federal categorical programs need to be reformed, but to weaken the federal partnership with states and local districts that has prevailed for the past fifteen years is to harm a largely powerless constituency.

ACKNOWLEDGMENTS

Studies of this kind draw heavily on the time and expertise of many busy people. We are deeply indebted to the state legislators, legislative staff, state education agency officials, interest group representatives, school district personnel, and other respondents who played a role in this research. They were enormously generous with their time and files, and unfailingly patient in answering our questions about state implementation of education policy.

The research would not have been possible without the support of the National Institute of Education's Law and Governance Program. Our project monitor David Goodwin and his NIE colleague Donald Burnes provided helpful advice throughout the research and useful comments on our draft report. Richard F. Elmore of the University of Washington, and Erwin Hargrove of Vanderbilt University, reviewed the manuscript. Their detailed comments were particularly useful to us as we prepared a final draft of this report. The counsel of all these individuals has substantially improved the report's organization and analysis. Will Harriss's editing helped clarify our prose. Naomi Moebius of Rand handled the seemingly endless task of producing multiple drafts with extraordinary skill and good humor. Abby Robyn made the countless telephone calls needed to identify respondents and schedule interviews with them.

All of these people made this research possible and shaped the final product. They are, however, in no way responsible for its shortcomings.

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Chapter 1

THE STATES AND THE FEDERAL SYSTEM

INTRODUCTION

Since the 1965 passage of the Elementary and Secondary Education Act (ESEA), the states have played a dual role in education policy. On the one hand, they must meet their constitutional responsibilities to all students by assisting districts in the financing and governance of public education. On the other hand, they are also charged with implementing a number of federal categorical programs largely designed to serve special needs students. Although these two roles place different, and sometimes competing, demands on state governments, they cannot be analyzed independently of each other. The political and organizational characteristics that shape one also shape the other. To understand the state role in implementing federal programs, one must also understand the state role in implementing its own programs.

Consequently, this study, which began as an in-depth examination of four states and their approach to federal program administration, was broadened to analyze how states implement education policy generally. In addition, however, we focused specifically on state implementation of the two largest federal education programs, ESEA Title I,[1] which provides compensatory education services, and the Education for All Handicapped Children Act (P.L. 94-142), which serves special education students.[2] We also examined state-funded

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[1] In July 1981, ESEA Title I was modified and included as Chapter 1 of the Education Consolidation and Improvement Act of 1981 (ECIA). The remaining titles of ESEA have been consolidated into Chapter 2 of ECIA.

[2] Although the states serve as a major instrument of national education policy, little is known about their unique role in implementing federal education programs. Several studies have examined state-level implementation of a single federal education program, but few have taken a comparative perspective and analyzed multiple programs. For examples of single program studies, see Jerome T. Murphy, *State Education Agencies and Discretionary Funds*, Lexington Books, Lexington, Massachusetts, 1974; Lorraine M. McDonnell and Milbrey W. McLaughlin, *Program Consolidation and the State Role in ESEA Title IV*, The Rand Corporation, R-2531-HEW, April 1980; and Margaret A. Thomas, *State Allocation and Management of P.L. 94-142 Funds*, The Rand Corporation, N-1561-ED, September 1980.

In 1980, the General Accounting Office completed a study of eleven federal programs at the state and local levels; however, it focused only on duplication of services compensatory and handicapped education programs in order to compare a state's implementation of its own programs with that of federal initiatives.

This broader focus was necessary not only because state and federal programs depend on the same set of political and organizational factors, but also because the federal role in education is changing dramatically. Through major funding reductions, deregulation of federal program mandates, and consolidation of categorical programs into block grants, the Reagan administration has signaled a much-diminished federal role in elementary and secondary education. It is assuming that with greater latitude, states and local school districts will be able to deliver educational services more effectively. Yet, a primary rationale for increased federal involvement in 1965 was the failure of states and local districts to provide additional services for special needs students. In predicting how states will respond to a changed federal role, then, the issue of state commitment to special needs students must be considered.

Over the course of other studies, we have found that state-level commitment to special needs students is generally lower than we expected, particularly given the number of states that provide additional funds for such students. As we indicate in subsequent chapters, this finding is largely explained by the larger political context and the states' emphasis on general education. In this present study we also found that even within the same state, the state education agency (SEA) may manage state and federal programs differently. In most states, state-level administration of federal programs tends to concentrate on compliance with program regulations and deal only minimally with issues of program content and quality. In managing their own programs, however, SEAs are more likely to stress program substance, particularly if the state political culture sanctions a strong state role in local districts. These differences are due not merely to state attitudes toward federal programs for special needs students, but also to the federal programs themselves and the assumptions that underlie them.

In sum, this study was broadly conceived in order to explore the interaction between federal program characteristics and state-level

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and administrative costs and did not examine other aspects of program implementation. See *An Analysis of Concerns in Federal Education Programs: Duplication of Services and Administrative Costs*, Report to the Congress of the United States by the Comptroller General, U.S. General Accounting Office, Washington, D.C., April 30, 1980. Similarly, another recent study analyzed state and local problems with maintenance of effort provisions in several federal programs: A. S. Gurwitz, L. Darling-Hammond, and S. R. Pease, *Maintenance of Effort Provisions: An Instrument of Federalism in Education*, The Rand Corporation, R-2684-ED, June 1981.

variables, and to address a set of policy issues that transcend individual programs and governmental levels. We first analyzed the political and organizational context in which state governments design and implement education policy. We then traced the implementation of two federal programs for special needs students and their state-funded counterparts through the intergovernmental system. Throughout our research we tried to identify those variables that best explain implementation differences across states and programs. In some cases, those differences result from the way various state and federal programs are structured; in other cases, such variation depends on differences in state political culture, resources, and organizational structure.

Our final task was to use this analysis of state education policy to address several major policy questions:

- What factors shape the role of SEAs in policy implementation and local service delivery?
- Do states have the capacity and willingness to serve special needs students in the face of reduced federal funding and direction?
- Given the severe fiscal constraints that many states face, is it possible for them to continue delivering effective services to local districts?

STUDY METHODS

Since we needed comprehensive information about the larger state context in which educational policy decisions are made and implemented, we chose to study a small number of states in depth. In selecting these states we revisited four of the eight in which we had conducted fieldwork for our earlier study of ESEA Title IV.[3] Using this strategy, we were able to build on our existing data base and thus pursue study questions in greater depth. Since data for the second study were collected two years after the first, we could also make longitudinal comparisons. These were important because one SEA had experienced major leadership changes and another state's financial condition had worsened significantly in the two-year period.

The original eight states were selected to maximize variation on a number of dimensions, including region, relationship between the state and local districts, SEA structure, and approach to federal funds management. In selecting the four for this study we tried to maintain variation on these same dimensions, but also to select states that differ in their organizational capacity. Thus the states in our sample represent various stages in the development of SEA and general government capacity. For example, at one end of the continuum is a state that assumes a strong role in relationship to local districts and has a highly professional, integrated SEA. At the other end is a state with a weak and fragmented SEA that exerts little influence over local district behavior. The other two states fall closer to the midpoint on this continuum and are likely to develop greater capacity in the near future (particularly in the area of technical assistance to local districts).

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[3] McDonnell and McLaughlin.

To maximize respondent access and candor, we promised confidentiality. Therefore, in the course of this report, we will name neither individual respondents nor states. Although this approach may make less interesting reading and make replication of our study more difficult, we believe these disadvantages are outweighed by the advantages. A guarantee of confidentiality allowed our respondents to be more forthcoming, particularly in instances where SEAs had chosen to ignore or loosely interpret federal program regulations. In addition, we believe it is critical that readers concentrate not on individual states, but on state types that represent a configuration of specific political, economic, and organizational characteristics. Although states vary greatly, we have found that commonalities exist among them and these factors can provide the basis for designing aid policies and management strategies that are not particular to any one state.[4]

Both authors spent a week between October and December 1980 in each of the four states in our sample. While there we interviewed approximately thirty people, including selected legislative and gubernatorial staff, state legislators serving on education or finance committees, SEA personnel at both the policy and operational levels, state board of education members, representatives of relevant professional and client groups, and general information respondents (e.g., newspaper reporters and university professors) who could answer questions about state politics generally. We also interviewed a limited number of intermediate unit personnel, particularly those involved in delivering Title I and handicapped education services to local districts. Interviews were open-ended and lasted from one and one-half to two hours.

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[4] In categorizing states along a set of common dimensions, we are relying not only on data from the four states included in this study, but also on information from twelve other states that we visited in the course of our Title IV research and an earlier study of the major political and bureaucratic problems states face in managing federal education programs. In addition to these fieldwork data, we are drawing upon survey data collected as part of the Title IV study from federal program managers and Title IV administrators in all fifty states.

We should also note that two of the states in the present study sample were included in other major studies of state education policy, while the other two have not been. See Martin Burlingame and Terry G. Geske, "State Politics and Education: An Examination of Selected Multiple-State Case Studies," *Educational Administration Quarterly*, Vol. 15, No. 2, Spring 1979, p. 61.

ORGANIZATION OF THE REPORT

The remainder of this chapter discusses the assumptions underlying traditional federal-state relations and how they have evolved over time, and presents the analytical framework we used in assessing the state role in federal program implementation. With this framework as a basis, Chap. 2 briefly describes each state in our sample and identifies those political and organizational characteristics that shape policy implementation. Chapter 3 presents a comparative analysis of these data and discusses the conditions under which state political factors are most likely to enhance SEA role and capacity. Chapters 4 and 5 look specifically at ESEA Title I, 94-142, and state programs serving similar student groups. The final chapter addresses the policy questions with which we began this report, particularly the issue of state capacity and its implications for changing federal and state roles in public education.

FEDERALISM, THE STATES, AND THE GRANTS-IN-AID SYSTEM

In the introduction to his essay, "The Federal Setting of State Policies," Kenneth N. Vines cites Woodrow Wilson's 1908 argument that "the question of the relations of the states and the federal government is the cardinal question of our . . . system."[5] Yet throughout American history this relationship has remained virtually unexamined. Certainly, federal policies, beginning with the major Supreme Court decisions of the nineteenth century and continuing through the massive expansion of federal grants-in-aid in recent times, have meant that our notions of federalism and the relationship between the federal and state governments have changed. One need only think of the images used to depict this relationship: They range from the nineteenth century notion of dual federalism and its "layer cake" analogy on through the "marble cake," and eventually arrive at the "picket fence" metaphor of the 1960s.[6]

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[5] In Herbert Jacob and Kenneth N. Vines (eds.), *Politics in the American States,* 3d ed., Little, Brown and Company, Boston, 1976, p. 3.

However, we would argue that these notions of federalism are simply a by-product of public policy at any given point in time. Rarely since the time of the Federalists has the role of state government been debated independently of specific interests and policies.[7] The American concept of federalism and judgments about the amount of power state governments should have in relation to the federal government depend not on some national philosophy about the proper role of state government, but rather on an operational definition of federalism that changes as public policy preferences shift. Consequently, the relationship between states and the federal government is often ad hoc and fragmented.

Our traditional beliefs about federal-state relations can be traced to the *Federalist Papers* and Alexander Hamilton's notion that each level of government ought to contain the power and resources to be self-sufficient.[8] With the Depression, however, the federal government began assisting states by transferring funds to them. Despite this radical change in practice, the national ideology was never altered. The federal government neither transferred to the states the revenue-gathering capacity needed to support massive "pump-priming" efforts, nor did it directly mount and administer such programs. Instead, it became a bank for the states, permitting wide variation in policy and practice.[9] In education policy this has led to what John Meyer calls "the centralization of funding without authority."[10] The result has been broad variation in state-level federal program implementation and difficulty in the coordination of multiple federal programs at all three levels of government.

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[6] Alexander Hamilton, *Federalist Paper No. 31*, American Library Edition, New York, 1961, p. 194. From Hamilton's concept emerged the notion of "layer cake" or dual federalism. Each level of government was to be independent of the others in both its responsibilities and resources.

Later students of federalism, such as Grodzins, have emphasized a cooperative federal model with responsibilities shared among governmental levels. This is commonly known as "marble cake" federalism. Morton Grodzins, *The American System*, Rand McNally, Chicago, 1966, p. 8.

Another viewpoint, expressed by Terry Sanford, characterizes the current state of intergovernmental relations as a "picket fence." In any given program, levels of government are linked vertically and function as one picket. However, the horizontal cross slats connecting individual programs are considerably weaker and thus, cross-program oversight and management at each governmental level are ineffective. Terry Sanford, *Storm Over the States*, McGraw-Hill, New York, 1967, p. 80.

[7] In his essay on states in the federalist system, Leon Epstein argues: "Most writers on American federalism have preferences about how powerful state governments should be in relation to national authority. Now as always these preferences mingle with interests whose representatives perceive their substantive policy goals as more readily achieved at one level of government than another. It is hardly realistic to analyze federal relations without an awareness of the political interests seeking to influence the distribution of governmental powers." Leon D. Epstein, "The Old States in a New System," in *The New American Political System*, American Enterprise Institute, Washington, D.C., 1978, p. 325.

[8] Hamilton.

[9] Edward K. Hamilton, "On Nonconstitutional Management of a Constitutional Problem," *Daedalus*, Vol. 107, No. 1, Winter 1978, p. 115.

As the federal grants-in-aid system has expanded, ambivalence about a proper state role has persisted. The balance of power and division of responsibility among governmental levels has shifted, depending on how national policymakers view state capacity and state will at any given time. For example, in the revenue sharing legislation of 1972, the House and Senate took very different positions on the allocation of federal funds within the states. The Senate version favored state governments, while the House version would have allocated a greater proportion of funds directly to local jurisdictions. The assumption underlying the House's position was that urban concerns are not well served by state governments, which are traditionally more receptive to rural and suburban interests. During the 1960s, academics as well as politicians argued that cities were "better instruments of popular government" and that state government was likely to siphon off money needed by the urban poor.[11] By 1979, 25 percent of all federal grants-in-aid funding bypassed state governments and was allocated directly to local jurisdictions, as compared with only 8 percent in 1960.[12]

Clearly, the failure of state governments to deal with such major social problems as urban decay, discrimination, and inadequate social services not only led to federal intervention, but also legitimated federal demands for state compliance with civil rights and programmatic mandates. Some people have also argued that the federal government is in a better position than the states to provide "technical assistance in accord with the highest professional standards."[13] As we argue in subsequent chapters, this assumption about relative federal and state capacity may have been valid twenty years ago, but it is less so today. Still, a strong belief remains that the interests of some groups are not well served by states because states lack the necessary will and capacity.[14]

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[10] John W. Meyer, *The Impact of the Centralization of Educational Funding and Control on State and Local Organizational Governance*, paper prepared for presentation at the HEW School Finance Study meeting on Resource Allocation, Service Delivery, and School Effectiveness, September 1979, p. 13.

[11] Robert A. Dahl as cited in Epstein, p. 327.

[12] David B. Walker, "Congressional Federalism: The Dominant and Debilitating Approach to Contemporary Intergovernmental Relations," paper presented at the 1980 Earl Warren Memorial Symposium, University of California, San Diego, November 1980, p. 1.

[13] Michael D. Reagan, *The New Federalism*, Oxford University Press, New York, 1972, pp. 67, 83.

Lobbying strategies have also affected traditional roles in the intergovernmental system. Lobbies representing urban concerns and the interests of traditionally neglected groups have moved their activities from the local and state levels up to the federal level in the hopes of greater payoff. Congressional responsiveness to these groups is reflected in the large number of categorical programs initiated during the 1960s and 1970s. The small amount of funding available for some of these programs makes them little more than symbolic responses, but their creation at least sent a signal that Congress acknowledged the legitimacy of these groups' interests. Congress also responded to such organizations by creating formal roles for them in state and local program administration, either as members of program advisory groups (e.g., Title I parent advisory groups) or as service providers under government contract (e.g., CETA contractors). This link between private interests and their Congressional supporters has further clouded the state role in federal program implementation.

Ambivalence about the state role is particularly evident in education policy. The programs included in ESEA, notably Title I, were designed to meet the special needs of children traditionally unserved by states and local school districts. Yet, with few exceptions, the federal government sends the bulk of this money directly to the states, which then monitor its use by local districts. At the same time, the federal government has attempted to reconcile its somewhat ambivalent view about the state role by imposing targeting, fiscal tracking, and evaluation requirements on the states. These requirements apply not only to areas where state commitment was traditionally weak, such as services for low-income students, but also where state commitment is relatively strong, as in handicapped education. These regulations apply equally to mature and recently implemented programs; they also apply in cases where compliance has been substantially achieved and where continued adherence to federal regulations may inhibit effective educational practice.

Recent block grant and consolidation proposals represent a different set of political interests from those that prevailed in the 1960s and 1970s. The concern now is with minimizing the federal role and allowing more flexibility to states and local districts. But this latest debate only illustrates once again how vulnerable states are to whichever interests currently prevail and the level of government at which these groups believe their interests are best served. At the program implementation level, this lack of a clearly defined state role that transcends individual interests and policies has meant that federal programs are often not well integrated into the ongoing functions of SEAs and local school districts. Coordination and substantive programmatic development often take second place behind more immediate compliance concerns.

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[14] This view has emerged once again in the recent policy debate on block grants. For example, see Rochelle L. Stanfield, "Block Grants Look Fine to States; It's the Money That's the Problem," *National Journal*, Vol. 13, No. 19, May 9, 1981, p. 821.

Therefore, in identifying the state role in federal program implementation, it is important to remember that this role varies greatly across states and individual programs and also over time. The concepts that replaced Hamilton's dual federalism are ad hoc and do not depend on any philosophical or constitutional definition, but rather on the balance among competing interests at any given point in time. Consequently, the cues that each governmental level gives to the levels below it, and the larger political and organizational context in which specific policies are implemented, become critical in explaining compliance and service delivery outcomes.

CONCEPTUAL FRAMEWORK

Based on our previous studies of federal programs and their implementation in states and local districts, we developed a conceptual framework to guide this current research. This framework, presented in Fig. 1, structured our field-data collection and analysis and allowed us to examine a number of hypotheses formulated in the course of past studies. It identifies those factors affecting federal policy implementation at all three governmental levels. We present a complete framework even though we only focused on the state level in our current study. We do this to show the interrelationship among levels, and where possible we draw on other research to supplement our limited discussion of federal and local factors.

Our model of federal program implementation rests on two assumptions. First, it assumes that federal policy will be transformed as it moves through each level of government—from Congress to the U.S. Department of Education (ED), from ED to the states, and from the state to school districts. Second, the model assumes that each level of government has its own goals and viewpoint about federal program objectives, and imposes its own set of organizational and political constraints on program implementation. As a result of these differences, we assume not only procedural changes, but also substantive modifications as federal policy moves through the three levels of government.

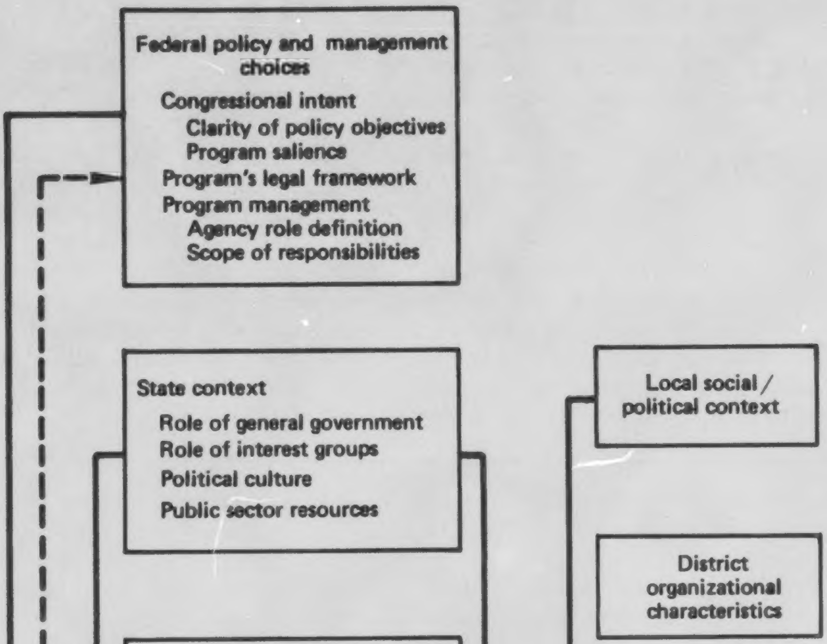
Federal policy and management choices
Congressional intent
Clarity of policy objectives
Program salience
Program's legal framework
Program management
Agency role definition
Scope of responsibilities
State context
Role of general government
Role of interest groups
Political culture
Public sector resources
SEA organizational characteristics
Structure
Role orientation
Overall capacity
Program priorities
Management of federal programs
Program regulations
Program activities
Relationship with LEAs, federal counterparts, rest of SEA
Local social / political context
District organizational characteristics
Local management choices
Program design and service delivery

Fig. 1—Factors Affecting Federal Program Implementation

Figure 1 indicates that the student services ultimately delivered with federal funding are a function of:

- Federal policy and management choices, beginning with Congressional intent and proceeding through program regulations and management.
- The state political context, which in turn influences SEA structure and behavior. This organizational environment then shapes actual program management.
- Local management choices made in response to state action, but filtered through the local social and political context.

Our conceptual model is designed to address two basic dimensions of federal policy implementation. The first deals with *compliance* and focuses on the extent to which states adhere to federal program regulations. The second stresses *programmatic development* and examines ways in which federal policy goals have been operationalized.

Compliance with federal program regulations is a particular and limited notion of implementation. Compliance denotes the extent to which minimal structures or routines have been established and followed. Many would argue that mere compliance is insufficient to accomplish federal goals. A program is more than rules and regulations, and is implemented only when the original policy aims have been operationalized in some tangible way. A state's role in program implementation can consist of little more than formulating guidelines, monitoring, and specifying audit procedures, or it can involve substantive program planning and the provision of resources and technical assistance to local districts. State-level implementation in this fuller sense involves programmatic development. This second dimension of the state role directs attention to issues such as level and type of technical assistance, frequency of contact with local districts, coordination and interaction of state and federal programs within the SEA, and level of staff expertise. It also requires examining the extent to which compliance requirements within and across programs support or conflict with programmatic development.

A definition of program implementation that includes both compliance and programmatic activities raises a number of important questions. For example, federal policies implicitly assume that compliance is a necessary and positive first step in state-level implementation of federal policy goals. However, this assumption may not always be correct, particularly in states that have invested heavily in their own program development. Federal regulations often assume "worst case" conditions or attempt to prescribe a minimal response. Such regulations may promote appropriate organizational arrangements in states that have *not* already addressed a particular program concern without federal prompting. But worst case regulations can be counterproductive in states that have developed their own programs and moved beyond a simple compliance response.[15]

A state's role in federal policy implementation, then, *is a dual function of its compliance response and program development concerns*. Evidence of adherence to federal program regulations does not necessarily mean that policy aims have been operationalized. Similarly, the broad objectives of a federal policy can be implemented even though a state or local district may modify program details, and thus not fully comply with federal regulations. Regulation is only one ingredient in the complex process of policy implementation.

Federal Policy and Management Choices

Three broad federal-level factors shape state response to federal categorical objectives and requirements:

- Congressional intent
- A program's legal framework
- Program management

Congressional Intent. Regardless of a state's political and organizational characteristics, its response to a particular federal program depends at least partially on how the federal government chooses to shape the program through legislation and subsequent administrative regulations. Congressional intent is the first point at which variations in federal policy choices occur. One of the major themes of past research has been that Congress, in its efforts to balance conflicting interests, often states its intent in a vague and sometimes even ambivalent manner.[16] A number of explanations for this have been offered. For example, Theodore Lowi argues in his analysis of liberal jurisprudence that in order to preserve pluralistic bargaining among interest groups, Congress often passes statutes that necessarily place the burden of interpretation on other governmental institutions.[17] According to Helen Ingram, the need to make legislation acceptable to diverse interests also explains why Congress may choose a grant program instead of a more coercive technique to further federal objectives.[18] Likewise, "when grant programs are included to make legislation more acceptable, there follows a tendency to be vague about objectives."[19]

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[15] For example, some states have modified their response to federal regulations to suit their own needs and level of expertise. If degree of compliance were judged in these cases, the states would get low marks indeed. However, an examination of program activities would reveal that the federal policy has been implemented, albeit with a different strategy from what the federal government intended. Similarly, it is possible that a full compliance response could have perverse effects. For example, one state with well-developed referral procedures for handicapped children found that significantly *less* service could be delivered to this target group once they complied with the screening requirements set forth in the Education for All Handicapped Children Act (94-142).

[16] For example, see David B. Truman, *The Governmental Process*, 2d ed., Knopf, New York, 1971, p. 443.

[17] Theodore J. Lowi, *The End of Liberalism*, Norton, New York, 1969, pp. 126 ff.

The vagueness or ambivalence of Congressional intent has implications for both Department of Education and state administration of federal grant programs. In his analysis of ESEA Title I, Murphy points out that in the original Title I deliberations Congressmen differed on whether it was an antipoverty measure or a thinly disguised general-aid-to-education bill.[20] He argues that:

> Although the language of Title I was clear as to eligible children, the bill's legislative history provided the semblance if not the reality of general aid. This confusion, and the fact that those reformers who had pushed for passage left implementation to lower-level officials, meant that USOE administrators could see in Title I what they wanted to see. Where there was vague language in the law, it also created later problems.[21]

An ambiguous legislative mandate meant that, in the early days of Title I, USOE (now ED) did not have to stress or enforce the targeting procedures that would make the program a compensatory measure. States followed USOE's lead and did not impose priorities on local districts. Hence, it was not surprising that some districts spent their Title I funds as general aid—even to the point of purchasing band uniforms and swimming pools.

Our own analysis of the ESEA Title IV consolidation also indicates how lack of clear Congressional intent affects federal program administration and, in turn, state and local program management.[22] The ostensible purpose of Title IV was to consolidate several categorical programs—namely, aid for school libraries, guidance and counseling, innovative projects, and the strengthening of state departments of education—into a single, more effectively managed program. At the same time, many members of Congress were still committed to the concept of categorical programs as a means of furthering federal objectives. Consequently, Congress enacted Title IV, which consolidated seven categorical programs. At the same time, however, it created seven *new* categorical programs and another office within ED, which made it very difficult to administer the components of Title IV in a consolidated fashion. ED never consolidated program operations into a single administrative unit. Largely as a result of the federal orientation, the states do not view Title IV as a consolidated program, but rather as simply an amalgam of the prior categoricals. Many states simply followed ED's lead and made little effort to consolidate either the goals or the administration of Title IV at their own level.

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[18] Helen Ingram, "Policy Implementation Through Bargaining: The Case of Federal Grants-in-Aid," *Public Policy*, Vol. 25, No. 4, Fall 1977, pp. 505-506.

[19] Ibid., p. 507.

[20] Jerome T. Murphy, "The Education Bureaucracies Implement Novel Policy: The Politics of Title I of ESEA, 1965-72," in Alan P. Sindler (ed.), *Policy and Politics in America*, Little, Brown and Company, Boston, 1973, p. 169.

[21] Ibid., p. 194.

[22] McDonnell and McLaughlin, Chap. 3.

The salience of a particular program to Congress and relevant interest groups also affects federal program administration. Congress and its various constituencies are more likely to scrutinize the administration of programs that are either highly controversial or very important to a group's interest. The responsible administrative agency, in turn, will be more likely to enforce regulations and hold states accountable for these programs than for less visible or less politically contentious ones.

Legal Framework. Congressional intent and ED interpretation are operationalized through a program's legal framework. This framework consists of program legislation, regulations, guidelines, and relevant administrative and judicial case law. Through these mechanisms, states and local districts learn the conditions for accepting federal funds, including student eligibility requirements, eligible services and activities, and evaluation and reporting requirements.

Theoretically, this framework establishes minimal performance standards for state and local administration of federal programs. Because this federally imposed legal structure is undifferentiated, however, it sometimes fails to acknowledge important, particularistic aspects of state and local implementation. As numerous studies have now documented, there is an imperfect relationship between federal program regulations and state and local compliance with them. There are some instances, of course, in which such noncompliance is due to either malfeasance or outright opposition to federal goals. Full compliance, however, may also not be achieved because state officials believe it conflicts with best program practice. For example, most federal Title I regulations focus on administrative process rather than program quality. Consequently, in the interests of overall program quality, state officials may compromise federal regulations.

Such state level trade-offs in response to a program's legal framework are clearest in the older federal programs like Titles I and IV. Rand's study of ESEA Title IV has documented ways in which program needs and problems change as federal policy matures.[23] Similarly, other studies report that the technical management and compliance problems of Title I's early years have receded, and that the redistributional and targeting objectives of the program have been substantially met.[24] Furthermore, research indicates that compensatory education programs are producing the hoped-for cognitive gains.[25] Thus, as Congress noted in the 1978 reauthorization hearings, it appears that "... Title I has matured into a viable approach to aiding the disadvantaged."[26] But, from the perspective of state officials, federal regulations do not always acknowledge the changed federal and state role implicit in a mature federal policy.

The situation for Title I and Title IV contrasts with that of newer programs such as the Education for All Handicapped Children Act. The procedures for identifying and placing eligible handicapped children are not yet completely in place across the country. Until they are, state officials cannot shift their attention from process to program quality. Consequently, in considering the effect of a federal program's legal framework on state and local implementation, it is necessary to control for program maturity.

The variability in legal frameworks resulting from Congressional intent and ED interpretation is compounded by ED's uneven ability to enforce all program requirements effectively. In particular, the nature of the grants-in-aid system with its fragmented authority means that federal enforcement capacity is limited. For grant programs, the most severe sanction is the federal government's authority to withdraw or recover funds from states and local jurisdictions for noncompliance. But as a number of analysts have noted, this ultimate weapon is rarely used. In employing it, the federal government risks losing an important state ally and generating Congressional hostility.[27] Consequently, federal agencies usually choose to negotiate with a state or to bring public pressure against it by calling its noncompliance to the attention of the media and relevant interest groups.[28] Even short of using sanctions against the states, federal agencies must be able to impose requirements that make compliance verifiable and that are practical given program objectives. As Martha Derthick notes: "Conditions must not be so demanding as to become an obstacle to the functions of the program; at the same time, conformance must be elicited sufficiently to sustain respect for federal authority and to insure progress toward federal goals."[29]

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[23] McDonnell and McLaughlin.

[24] Committee on Education and Labor, U.S. House of Representatives, *A Report on the Education Amendments of 1978,* H.R. 15, House of Representatives Document 95-1137, 95th Cong., 2d Sess., Government Printing Office, Washington, D.C., May 11, 1978. Committee on Human Resources, U.S. Senate, *Education Amendments of 1978: Report to Accompany S. 1753,* Senate Document 95-856, 95th Cong., 2d Sess., Government Printing Office, Washington, D.C., May 15, 1978. Robert J. Goettel et al., *The Administration of the Elementary and Secondary Education Act Title I in Eight States,* prepared for the National Institute of Education, Syracuse Research Corporation, October 1977. National Institute of Education, *Administration of Compensatory Education,* Washington, D.C., September 1977a. SRI International, *Trends in Management of ESEA Title I: A Perspective from Compliance Reviews,* Menlo Park, California, September 1979.

[25] National Institute of Education, *The Effects of Services on Student Development,* Washington, D.C., September 1977b.

[26] Committee on Education and Labor, p. 7.

Program Management. The clarity of legislative intent, salience of a program to Congress and to various constituencies, and capacity of administrative agencies to regulate state-level behavior all pose constraints on federal program management. How federal agencies choose to deal with these factors provides clues to the states about the flexibility they will have in implementing a program at their own level. Because the weighting accorded to each of these factors varies across programs, state agencies must, in effect, make a calculated judgment about the parameters within which they will have to operate. Narrow parameters will suggest the need for a simple compliance response; broader ones may allow greater program development by the states.

In making this calculation, states can draw upon past experience, with one of the best predictors being the way a particular program office within ED has traditionally conceived of its role. This role definition includes several dimensions. One is whether the office sees itself cooperating with the states on an equal partnership basis, or whether it views itself as forcing the states to do something that they would not have done at all on their own or would have done inadequately.

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[27] Ingram, p. 509. See also Carl E. Van Horn and Donald S. Van Meter, "The Implementation of Intergovernmental Policy," in Charles O. Jones and Robert D. Thomas (eds.), *Public Policy-Making in a Federal System*, Sage Publications, Beverly Hills, California, 1976, p. 54. This reluctance to use the most severe sanction against noncompliant states demonstrates the seemingly contradictory situation many federal agencies face. On the one hand, they exert some authority over states as a condition of providing them funds. On the other hand, grant programs depend on voluntary participation by the states, and while it is usually unrealistic for a state to reject such funding, the implied threat of nonparticipation is always there. In addition, administrative agencies often need the states as allies in their dealings with Congress over budgetary appropriations and program expansion. For example, ED is very careful to cultivate and maintain the support of the organization of chief state school officers.

[28] Paul T. Hill, *Enforcement and Informal Pressure in the Management of Federal Categorical Programs in Education*, The Rand Corporation, N-1232-HEW, August 1979.

[29] Martha Derthick, *The Influence of Federal Grants*, Harvard University Press, Cambridge, Mass., 1970, p. 200.

In education, this latter attitude has generated antagonism between states and the federal government. Our past research indicates that officials at all three levels of government acknowledge the legitimacy of federal initiatives to serve special needs students who have previously been neglected by states and local school districts. They also admit that federal efforts have been instrumental in changing state and local behavior.[30] However, in some instances the federal government has moved into areas where state programs already exist. Instead of viewing its role as a cooperative one, ED assumed that its methods were dominant and sought to impose its own program specifics on existing state programs. For example, a number of states have well-developed special education programs and see the federal government as a "Johnny-come-lately" in this area. In their view, it was state action that prompted federal interest and not vice versa. Consequently, most of the opposition that these states have expressed against the Education for All Handicapped Children Act stems from a belief that the federal government has no right to mandate the details of program implementation in an area where state priorities, as measured by funding level or a substantially longer record of activity and commitment, are better established than federal ones.

A second dimension of federal agency role is how broadly staff define their responsibilities. Even within the same agency, the scope of defined responsibilities can vary greatly. For example, the staff of some programs view themselves as a funding conduit and emphasize fiscal accountability with little concern about program substance, while staff from other programs focus on program substance. Consequently, in monitoring state behavior these staff members will interpret regulations according to their own beliefs on how services should be delivered to students.[31]

This discussion of federal policy choices illustrates major federal-level factors that influence state response to a particular federal program. As we shall see in subsequent sections, state-level factors can at times overwhelm federal factors. But to the extent that we observe variations in implementation processes and outcomes across programs within the same state, initial federal choices provide a partial explanation.

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[30] McDonnell and Pincus.

[31] The federal bilingual program (ESEA Title VII) and ESEA Title IV illustrate differences in the way federal agency staff define their responsibilities. Despite the unresolved debate over bilingualism vs. biculturalism and the belief by many local school districts that their programs should stress English language proficiency rather than persistence of a student's native tongue, the federal program has emphasized maintenance of a student's native culture and language even to the detriment of English fluency. (For example, see Tom Bethell, "Against Bilingual Education," *Harpers Magazine*, February 1979, pp. 30-33.)

In contrast with Title VII and its strongly prescriptive standards, Title IV staff view their responsibilities as primarily fiscal—making certain that eligible students are served and that funds are spent in a manner consistent with program guidelines. But federal staff avoid prescribing substantive priorities, and states and local school districts are permitted great flexibility in the kinds of programs they mount with Title IV funds.

State Context

Just as federal programs are not managed in a vacuum, state-level implementation is influenced by multiple and diverse factors. As Fig. 1 shows, it is affected by SEA organizational characteristics which, in turn, are shaped by the larger state context. Important state contextual factors include the role of the governor and legislature in educational politics, interest group strength, state political culture, and the fiscal health of the public sector.

Role of General Government. The amount of SEA discretion in managing and shaping federal grant programs often depends at least partially on the legislature and the governor's office. Most state legislators and gubernatorial staff admit that they know very little about the federal aid process in education. The extent of their awareness primarily reflects a fiscal rather than a programmatic concern; they want to make certain that their state is receiving its fair share of federal funds.

State legislatures traditionally have approved federal money with a virtual rubber stamp. There is evidence, however, that this situation is changing. In a number of states, the legislature has recently decided that it must appropriate all federal money coming into the state.[32] Now, by closely monitoring the flow of federal funds, these legislatures believe they can determine whether or not the state will be able to maintain commitments begun with federal money if this funding is terminated. Some state legislatures have also become increasingly concerned about educational quality, student achievement, and the link between training and employment. Legislators are questioning whether federal programs are consistent with perceived state priorities (e.g., vocational education focused primarily on state employment needs rather than on creating specific programs for special needs students).[33]

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[32] Only four state legislatures appropriate federal funds, including interim funds, in specified amounts by object-class or line-item detail. However, legislatures in 43 of the 50 states have at least some formal procedures for appropriating federal funds. In a survey conducted by the National Council of State Legislatures, seven states reported active legislative review of federal funds, while 22 reported moderate review and 16 a limited review. James E. Skok, "Federal Funds and State Legislatures: Executive-Legislative Conflict in State Government," *Public Administration Review*, No. 6, November/December 1980, pp. 561-562.

Legislative appropriation of federal funds raises questions about the separation of powers between the state executive branch and the legislature. While the issue still remains an open one, the Pennsylvania Supreme Court held in *Shapp v. Sloan* that the power of appropriating federal funds is clearly within the constitutional prerogatives of the state legislature. In dismissing the governor of Pennsylvania's appeal "for want of a substantial federal question," the United States Supreme Court created the *stare decisis* effect of binding state courts and lower federal courts to the state court decision. George D. Brown, "Federal Funds and National Supremacy: The Role of State Legislatures in Federal Grant Programs," *The American University Law Review*, Vol. 28, No. 3, Spring 1979, pp. 308-310.

The decision of state legislators or a governor to intervene in federal program implementation is largely political. These officials must weigh the political costs and benefits of intervention, particularly when the legal provisions for their participation are minimal (e.g., signing off on grant applications). A state legislator or governor must determine which interests support a particular program and favor the official's participation in its implementation. For example, state policymakers are more likely to intervene in the implementation process if organized teachers favor their involvement than if a resource-poor client group favors it.[34]

General government influence over federal policy implementation is likely to depend not merely on officials' degree of intervention, but also on whether their concerns are substantive or fiscal. When legislative and gubernatorial concerns are substantive, we would expect the visibility of federal programs to increase and support or opposition to them strengthen. At the same time, substantive intervention by general government can also politicize a federal program and place greater constraints on those who must implement it. If legislative or gubernatorial concerns are primarily fiscal, they are unlikely to affect the actual direction and content of a federal program. However, legislatures often express their fiscal concerns by pressuring SEAs to find ways to substitute federal funds for state funds. Such a situation makes it more difficult for SEAs to achieve compliance with federal regulations and to coordinate state and federal efforts. Consequently, in assessing the role of state legislatures and governors in federal policy implementation, we need to examine both the extent and nature of their intervention.

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[33] In only a few instances have state legislatures refused to appropriate money already granted to the state by the federal government. Nevertheless, the effect of this requirement has often been to delay the implementation of new federal programs by several months.

[34] Organized teachers are usually among the most influential interest groups in a state capital and tend to spend large sums of money supporting political candidates. Client groups, however, not only lack resources like campaign funds and media access but also the size of their constituency and the number of votes they can deliver are often unclear.

Role of Interest Groups. The role of state-level interest groups in federal program implementation varies greatly across program categories. Organizations representing handicapped and vocational education are more active and influential than compensatory and bilingual education groups. Federal programs are not a primary focus of most state education groups, however, simply because state funding of public education affects their constituents more strongly. Consequently, most state-level groups concentrate on lobbying for increased state funding and better state-administered programs, and only secondarily for federal funds allocation and program management.

In most states, education interest groups have traditionally coalesced in favor of increased funding for public education. Despite differences in philosophy and interest, these groups were able to present a united front at least on the issue of education funding. This coalition is now breaking apart, however. The growth of teacher collective bargaining has meant that organized teachers are often pitted against administrators and school boards. The increase in state categorical programs now means that these interests are often in conflict with those representing the general education program. Additional splits result from the different interests of urban, suburban, and rural districts. Moral issues such as sex education and school prayer have further splintered education interest groups.

This splintering comes at a time when fiscal stringency and enrollment decline make it difficult to obtain any new funding for education, even if education groups were united. Education must now compete with other sectors for its piece of a fixed pie.

The role of interest groups in state implementation of federal programs depends largely on where the impetus for establishing and sustaining a particular program comes from, and whether or not the group that lobbied for the program at the federal level also has state-level counterparts. For example, the impetus for sustaining Title I has come from such groups as the Lawyers' Committee for Civil Rights Under Law, a professional advocacy organization that has few state-level equivalents. Although there is a national Title I parents organization, Title I parents are not similarly organized at the state level. On the other hand, many of the national-level groups representing the handicapped also have state and local chapters. In contrast with Title I, 94-142 is viewed as a program whose impetus came largely from clients rather than from professional service providers.[35]

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[35] Title I is an example of the kind of "topocratic" program Samuel Beer described in his discussion of federal policies that depend on the lobbying of state and local officials. See Samuel H. Beer, "Federalism, Nationalism, and Democracy in America," *American Political Science Review*, Vol. 72, March 1978, p. 18.

Consequently, its base of political support is stronger, as is likely to become apparent if handicapped and compensatory education interests ever have to compete for the same funds in states and local school districts.

Those interest groups that do play a role in state-level implementation of federal programs both monitor SEA actions and support the SEA in its efforts to obtain additional funding from the legislature for similar state categorical programs. In monitoring the SEA, interest groups attempt to keep it accountable to federal laws and program regulations, and in some instances even assume an adversarial position against the SEA. At the same time, client groups also function as SEA allies when the agency presents its case to the legislature for increased funding or a more comprehensive state categorical program.

In assessing the role of interest groups, then, we need to control for the type of interest group (viz., client or professional) and the federal program being implemented. We assume that interest groups will play a stronger role in those programs sustained by client organizations with state and local chapters than in programs that depend on professional organizations for support and whose national-level advocates lack state and local counterparts.

Political Culture. Political culture is among the most nebulous concepts used by social scientists. It refers to a distribution of popular attitudes that defines how people of a particular nation or state relate to the political system.[36] Political culture describes the context within which policy is initiated and implemented. It includes popular attitudes toward local control and acceptance of higher levels of government, the role of the political party system, and the legitimacy of other political institutions.

Despite the obvious difficulties in dealing with such a concept, we know that states do have distinct political cultures that constrain the behavior of political and administrative institutions. In particular, state political culture strongly influences both the SEA's strength relative to local districts, and the support available to programs for special needs students. For example, in one state we visited during the Title IV study, the SEA established a technical assistance unit designed to help local districts with a variety of programs. But broader popular notions of local control and distrust of higher levels of government are so strong that the SEA unit can expect only limited success even under optimal circumstances. Indeed, in states such as this, political culture severely constrains any action by the state government.[37]

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[36] Gabriel A. Almond and Sidney Verba, *The Civic Culture*, Little, Brown and Company, Boston, 1965, p. 13.

The collection of survey data was beyond the scope of this study. Nevertheless, we drew upon the work of others who have examined voting behavior, public opinion surveys, and the political and cultural life of a number of states.[38] In the course of our data collection, we also asked elected officials, top SEA administrative staff, and general information respondents how they perceived popular attitudes on such issues as local control, support for public education, the legitimacy of federal action in states and local jurisdictions, and policies to promote social equity or serve special needs students.[39]

Public Sector Resources. Until quite recently, states were the most fiscally stable level of government and some even enjoyed annual budget surpluses. This situation is changing as many states face an economic downturn (e.g., Oregon and Michigan) and others must operate under fiscal limitation measures (e.g., California and Massachusetts). The amount of public sector resources available to a state affects not only its own educational program, but also its response to federal programs and mandates. This is particularly true for those federal programs that require a direct state financial contribution (e.g., vocational education with its matching requirements, and the service mandates in Section 504 and 94-142). But even for other programs such as Titles I and IV, maintenance of effort provisions affect how states allocate funds to local districts and the way these funds are eventually spent. Levine and Posner discuss the "displacement effects" that can occur when state and local priorities are skewed and distorted by the need to commit state and local funds to meet federal program requirements.[40] They argue that many of these requirements were imposed in a time of resource abundance; now, in a period of austerity, such provisions can cause a "priority inversion." State and local governments are forced to fund programs with low priority so as not to lose federal funds. However, services with a high priority are cut simply because they are funded entirely with state and local funds and therefore not subject to federal requirements.[41]

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[37] In her study of welfare policy, Derthick (pp. 214-215) recognized the same kind of limitations imposed by political culture: "The attainment of federal objectives depends upon certain features of a state's political system—the prevalence of values consistent with federal actions, the presence of federal allies, the power of those allies in state politics, and the prevailing ideology or political culture. Even apart from their receptivity to particular program goals, some states are more receptive than others to federal action per se. In states that tend to be receptive to government action in general and to have no ideological bias against federal action in particular, the charge of 'not taking advantage of federal funds,' or of 'failing to meet federal standards' is potentially very damaging to politicians. In other states, where government activity in general and federal activity in particular are more resisted, the risks of nonparticipation or defiance are lower."

[38] The following studies were particularly helpful in examining state political culture: Jack Bass and Walter DeVries, *The Transformation of Southern Politics*, Basic Books, New York, 1976, and three books by Neal R. Pierce: *The Border South States*, *The Megastates of America*, and *The Pacific States*, Norton, New York, 1972.

[39] Because we focused on state-level institutions and not on individual citizen attitudes, the discussion of political culture presented throughout this report actually refers to the institutional effect of popular political attitudes. In other words, we are analyzing the structural manifestations of a state's political culture. We realize that the causal process by which individual attitudes transform political institutions and elite behavior is complex. However, an examination of this process was beyond the scope of our study, so we are limiting our discussion to this rather narrow definition of political culture.

To some extent this displacement is occurring in handicapped education. Because of the relatively low federal contribution (approximately 12 percent of excess costs), states have to allocate more and more of their funds to meet Section 504 and 94-142 service mandates. In some of the most fiscally pressed states, this comes at the expense of the general education program, which must forgo increases or in some cases be funded at less than the previous year's level. As would be expected, such situations prompt political backlash and those who support handicapped education are finding it harder to argue their case successfully.

The fiscal health of a state also affects its commitment to state categorical programs that supplement federal efforts in such areas as compensatory and bilingual education. Even those states with a traditionally strong commitment to special needs students are finding it difficult to maintain this support in the face of fiscal stringency and reductions in the general education program.

However, one should not conclude that federal goals will necessarily be compromised by fiscal stringency. Some states, especially those that have experienced this condition for some time, have reoriented their behavior and have learned to manage effectively even in a time of fiscal decline. They have found that with different management strategies, the needs of both general and special education can be met despite fewer resources. This is a difficult lesson to learn, though, since decline is not simply the reverse of growth and most managers were socialized in a time of public sector expansion. It is important, then, in examining the effect of state fiscal health on federal program implementation, to consider the organizational characteristics of the agency coping with fiscal retrenchment.

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[40] Charles H. Levine and Paul L. Posner, "The Centralizing Effects of Austerity on the Intergovernmental System," prepared for delivery at the Annual Meeting of the American Political Science Association, August 31, 1979, p. 1.

[41] Ibid., p. 23.

SEA Organizational Characteristics

Four basic organizational variables affect state management style and federal program implementation:

- The organizational structure of the agency—e.g., line/staff arrangements, functional organization, staff differentiation.
- Its role orientation in dealing with local jurisdictions—e.g., primarily as a funding conduit, a regulatory agency, or as a provider of technical and implementation assistance.
- Its overall capacity—staff expertise and ability to manage federal programs and assist local districts.
- The SEA's program priorities and how these relate to federal goals and programs.

SEA Structural Characteristics. These factors influence federal program implementation in several ways. In particular, they influence interprogram coordination, technical assistance activities, compliance issues, and often program objectives. One important factor is the extent to which SEA staffing arrangements mirror those within ED/USOE. As a result of the additional resources and responsibilities that accompanied the advent of federal aid, state departments of education have greatly expanded over the last ten years.[42] During their time of greatest growth, most state departments developed organizational structures that matched that of ED/USOE and faithfully replicated, unit for unit, federal program categories. This organizational structure resulted from a number of factors. Chief among them was the inability of state departments to engage in comprehensive planning, and to see the overall impact of all federal programs rather than the isolated effects of each individual program.

Federal audit requirements also explain the structural pattern that has developed within SEAs. Tracking administrative expenditures is easier if positions supported with federal funds are isolated from that part of the agency that deals with state-supported services and programs. Although these patterns are now beginning to change, partly in response to fiscal stringency and partly because of institutional learning about effective practice—many SEAs have neither the will nor the capacity to make the initial investment needed to integrate federal and state activities.

Not only are SEA and federal structures similar, but state directors of federal categorical programs often develop close working relationships with their federal counterparts. Although they are sometimes cast in an adversarial role with the federal government, these state directors become, in essence, federal allies.[43] They often have more in common with their federal counterparts than they do with SEA colleagues who work on different programs.

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[42] Because of administrative money available from various categorical programs and other funding, the federal government now provides between 30 and 80 percent of SEA budgets. In many states, the advent of federal funding meant an extraordinary increase in the size of the SEA.

Most respondents we have interviewed in past studies felt that in the event of conflicting federal and state interests, a program director's loyalty would be to the state department. Still, a department organized along categorical lines can present fiefdom problems. We observed that state directors of federal programs are often the least likely to advocate modifications in the existing categorical system.[44] Their suggestions for change are within fairly narrow parameters (e.g., alterations in the allocation formula), and they resist moves to integrate federal programs with state and local ones.[45] As one senior state official observed, "The vocational education or handicapped program administrators are a separate line of influence. . . . If they are dug in deeply and can resist integration attempts, they could stymie any proposed reform."

Not only is it difficult to blur established categorical boundaries, but it also may be harder to provide appropriate technical assistance to local districts when a state department is organized along these lines. How a state provides technical assistance to local jurisdictions is, in effect, an intervening variable that affects program implementation. Our past analysis of a number of education programs suggests that technical assistance is more effective if it is not program-specific, but rather addresses problems common to more than one program.[46] This is particularly true in states with smaller school districts that are organized and function around a general curriculum rather than around a series of categorical programs that may only serve a minority of the district's students. To the extent that state technical assistance addresses problems common to the district as a whole, then, the implementation of each individual program will be improved.

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[43] Derthick, pp. 202-207, also discusses the role of state administrative agencies as federal allies.

In their study of major federal programs in eight states, Hale and Palley found that federally funded agencies appear less responsive to state political controls than nonfederally funded agencies. See George E. Hale and Marian Lief Palley, "Federal Grants to the States: Who Governs?" *Administration and Society*, Vol. 11, No. 1, May 1979, p. 7.

[44] McDonnell and Pincus, p. 14.

[45] In fact, a number of states reported that one of the obstacles to their own reorganization—away from a categorical emphasis to one that transcends individual programs and gives assistance to local districts on an overall program basis—is the existing state department structure that closely parallels existing federal categorical program administration.

[46] McDonnell and McLaughlin, pp. 90-93.

Although the vast majority of SEAs are organized according to federal funding categories, a few are organized along functional lines. For example, all language or all guidance and counseling programs are coordinated regardless of their funding source. We would hypothesize that SEAs organized along strict categorical lines will be more compliant in their implementation of federal programs. Federal policy aims will be implemented according to federal program guidelines with little change or modification.[47] On the other hand, SEAs organized along functional lines will probably be less compliant, seeing a need to modify federal guidelines to conform to broader SEA objectives and provide comprehensive local technical assistance. Consequently, broad federal *policy aims* may be implemented by these departments, but they are likely to accomplish them with a different *program strategy* from what federal officials may have envisioned.

SEA Role Orientation. We have found that if an SEA sees itself primarily as a funding conduit, it will emphasize compliance behavior to the exclusion of programmatic development.[48] The state will require that local districts adhere to federal regulations, but will be unlikely to impose additional state priorities or to require that districts develop their own substantive priorities. We would also expect that SEAs with such an orientation would actually have little positive effect on local implementation outcomes; substantive program implementation choices would fall almost totally on local districts. In these states, then, the significant predictors of implementation outcomes will be federal choices and local factors.

On the other hand, we would expect that states that try to shape federal programs to promote their own objectives will significantly affect state and local implementation of federal policies. These states will be more likely to formulate their own policy aims that can be superimposed on an existing federal program. They will also be more likely to provide technical assistance to local districts and to expect local programs to reflect state priorities.

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[47] This hypothesis is subject to several caveats. First, we are assuming that the federal program in question is a categorical one with a clearly specified target group. However, in the case of a discretionary program that provides largely unfettered, general aid (such as ESEA Title V designed to improve SEA organizational capacity), federal program requirements are minimal and we would expect to see competition and interagency bargaining regardless of the organizational structure. (See Murphy (1974), p. 14.)

A second caveat is that we are assuming that implementation decisions are made at the program director level. In cases where decisions must be "kicked upstairs" to officials with responsibility over more than one program, implementation decisions may more closely resemble those of agencies organized along functional lines. Officials with responsibility for more than one program have little or no fidelity to a Washington counterpart and are more apt to consider the broader interests of the state agency.

[48] McDonnell and McLaughlin, p. 89.

SEA role definition varies broadly across states. It largely depends on the state's political culture and the historical relationship between state government and local jurisdictions. Some states exert significant control over the activities of local jurisdictions, while others display a much stronger local control ideology. In effect, the 50 states represent a continuum of state-local control.[49] Two states we examined in past studies are examples of the endpoints on this scale. One is a state with a strong tradition of local autonomy and a state department of education weak in its authority over local districts. The other is one where the state department exercises great authority over predominantly small and rural, local districts. In addition, the strength of the state department is reinforced by a system that allows the state to determine how local districts spend their state aid (i.e., state aid comes to local districts designated for a specific number of teachers, a specific number of textbooks, etc.).

The strength of this state-local relationship in turn influences the SEA's role and whether it chooses to be merely a "check-writing" conduit for federal funds or whether the SEA decided to use federal program money to promote its own priorities. Weaker states tend simply to pass federal money along to local districts and to impose no restrictions or regulations other than those mandated by the federal government. Stronger states, however, may impose additional regulations and guidelines. The effect of such regulations is to bring the administration and targeting of federal aid closer to state priorities.[50] Many district staff are unable to distinguish between federal and state requirements, and therefore see all mandates as coming from the federal level. In such cases, state characteristics and priorities interact with a federal program to determine its substance at the local level.

State response to Title IV-C illustrates the effect of differing state roles. Because there are few federal constraints on this program, states have the option to use the program to further their own goals by limiting eligibility to only those local projects that reflect state aims. So, for example, a state that shapes the program to promote its own objectives might restrict the grants competition to projects that deal with basic skills, drop-out prevention, and handicapped education. Projects dealing with other topics would be declared ineligible. However, a state that acts solely as a funding conduit will allow competition in all subject areas, and eventual project characteristics and implementation strategies will be determined primarily by local factors.

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[49] McDonnell and Pincus; Laurence Iannacone, "State Education Departments: Their Policy Role in Administering Federal Programs," *New York University Education Quarterly*, Winter 1974, p. 14; Martin E. Orland and Robert J. Goettel, "Toward a Conceptual Framework for Understanding the Intergovernmental Implementation of Federal Aid Programs in Education," paper presented to the Annual Meeting, American Education Research Association, April 1980, p. 16.

[50] For example, some states have chosen to impose requirements in addition to the federal ones on the use of Title I funds. The federal government has fairly strict fiscal requirements governing the use of Title I funds (comparability, etc.), but it has not, for the most part, mandated in detail how the money should be used. For instance, states may require that local districts spend Title I money only at the elementary level and only in certain subject areas. Consequently, once Title I money is targeted according to federal guidelines, the program becomes substantively a state one.

SEA Capacity. An SEA's role orientation greatly depends on its overall capacity—that is, its level of staff expertise and its ability to enforce federal and state mandates and to provide technical assistance to local districts. Until the advent of federal funding, and particularly Title V monies, most state departments lacked the resources needed to hire well-qualified staff. SEA salaries were not competitive with those in local districts, and little professional prestige was attached to SEA employment. This situation has changed considerably, and many SEAs now employ large numbers of well-qualified professionals.

SEAs have used Title V funds along with other federal and state monies to strengthen their technical assistance capacity.[51] Our research indicates that local districts find this type of assistance useful and wish to see it continue. But in a time of fiscal retrenchment, SEAs are finding it more difficult to maintain this capacity. State funds are harder and harder to obtain and federal program funds must be used largely for monitoring and compliance checks. Meyer identifies this phenomenon when he refers to the growth in federal funding and the commensurate "rise of what may broadly be called the accountant—the personnel who manage the funding and reporting relations with the central power."[52]

In a time of fiscal growth, the competing demands of technical assistance and compliance monitoring could be met by most SEAs. But today that capacity is being severely tested by a lack of resources. Most SEAs acknowledge that compliance is critical if special needs students are to be served adequately, yet monitoring without substantive technical assistance only ensures "paper compliance." Some states have been able to restructure their technical assistance in the face of retrenchment by, for example, providing it on a regional, rather than a local district basis. But many others have responded in much less effective ways and have let their technical assistance capacity deteriorate. In examining the implementation of federal programs, then, we need to consider both the overall capacity of an SEA and also how that capacity is utilized. This factor will be important to federal policymakers considering modifications or deregulation of federal programs. They need to know whether federal regulations can be revised to allow SEAs to provide more technical assistance, but still ensure an adequate compliance level.

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[51] For example, through the use of decentralized staff teams (either working out of intermediate units or the SEA itself), local districts receive technical assistance on an ongoing basis. Some SEAs provide traditional subject-matter specialists to work with LEAs, while others have moved to a more process-oriented approach to technical assistance. The argument for this latter type of assistance is that most districts have competent subject-matter specialists, but lack staff expertise in problem-solving and effective management. Consequently, SEA staff sponsor staff-development workshops, help in obtaining outside funds, identify consultants and evaluators, and assist in implementing new management procedures and accounting practices.

[52] Meyer, p. 13.

SEA Program Priorities. These priorities are articulated through a number of sources: legislative mandates, state board of education guidelines, and chief state school officer's platforms. They reflect both policymakers' judgments about what directions a state ought to take and their response to political pressure from various constituents. Priorities are translated into action in a number of ways, including special state-sponsored programs like those for gifted or bilingual students, state curriculum standards that local districts must meet as a condition of continued state support, and guidelines that districts are persuaded, but not required, to follow.

Until recently, SEAs tended to promulgate multiple program priorities; their lists sometimes reached ten or twenty items annually. Now we find, however, that SEAs are limiting their major priorities to perhaps three or four at any given time. This change is partially a reaction to fiscal retrenchment and the realization that new initiatives must be limited. But it also indicates the institutional learning that has occurred, with SEAs now understanding that their actions must be more focused to be effective.

This variable is important in explaining federal program implementation because it is a measure of the consistency between federal and state objectives. For example, we would expect that states placing a high priority on improving their general education curriculum will be less committed to addressing federal concerns for special needs students. On the other hand, a state that assigns a major priority to improving the education of chronically underachieving students will view Title I, 94-142, and Title VII as a way to reinforce this state concern. It is also likely that in states with a strong SEA role, and priorities consistent with federal goals, a discretionary program such as Title IV-C will be directed to these same aims.

It is clear that these SEA organizational variables are interrelated; it is difficult to determine the independent effect of any one of them on the services delivered to students. Nonetheless, it is important to understand how they interact—how a change in one can affect the others and thus affect the type of program services delivered. For example, we know that an SEA's role greatly depends on its overall capacity. If that capacity diminishes for one reason or another, the SEA role can change from active to passive despite a political culture that supports a strong central government. Likewise, an SEA's capacity to provide technical assistance and to engage in long-range planning is likely to improve if its structure changes from a categorical to a functional one; but its ability to ensure local compliance with federal regulations may be greater under a categorical structure. In other words, determining the independent effect of each of these variables on the dependent variable of program design and service delivery is not as critical as understanding how each of these variables relates to the others and how together they affect ultimate service delivery.

State Management of Federal Programs

The SEA faces a number of choices when a federal program is implemented. First, it must decide whether it is merely going to pass on federal program funds to local districts, or whether it will impose further regulations on their use. This decision is largely a function of how the SEA conceives of its organizational role. Some state regulations may affect the substance of a federal program, such as those limiting the grade levels and curriculum areas included in local Title I programs. Regulations that are more procedural do not directly affect program substance (e.g., state regulations that go beyond 94-142 in specifying the composition of local district committees for the handicapped).

Second, SEAs must decide what program activities they will undertake with federal administrative funds and state set-asides. For example, will staff concentrate on monitoring and technical assistance directed only at local compliance, or will their technical assistance deal with program substance? Or, will an SEA provide local services itself or contract with another institution such as a college or university to provide them? A major determinant of such decisions is a prior one regarding the kinds of positions that are funded with federal monies. As we noted above, some SEAs use federal program funds to support positions throughout the agency, while others tend to concentrate them in one federal program bureau. Our assumption is that greater modifications in a federal program will occur when its activities extend throughout the agency and include general technical assistance and curriculum staff than when program activities are concentrated in only one bureau. When program activities are concentrated, staff tend to behave more like Meyer's notion of the "accountant" and stress compliance over programmatic development.

In managing federal programs, SEAs must also decide how program administrators will relate to their counterparts at the federal and local levels and to other SEA staff. The relationship between federal and state staff largely depends on federal initiatives, but the SEA can decide how cooperative it intends to be when such items as state plans are in dispute. Some states have gained a reputation for questioning federal decisions, while others are quite compliant. Some of our state respondents argued that those states which are viewed as more contentious by the federal government tend to receive greater scrutiny on site visits and in the review of state plans. Whether this is true or not is difficult to determine without a careful examination of federal actions. But such a perception certainly affects state commitment to enforcing federal mandates.

Just as federal and state staff have differing relationships, so do state and local staff. SEAs can view local staff as professional equals and attempt to maintain a collegial, noncoercive relationship or they can see themselves as needing to enforce certain standards in local districts. Although most states fall somewhere between these two extremes, we have observed both types of behavior. Depending on state political culture and SEA capacity, both approaches can be equally effective. But in either case, the relationship an SEA establishes with local districts while administering a federal program needs to be consistent with its relationship in other types of state-local interactions. When the two deviate, federal program effectiveness tends to suffer.

The relationship among federal program managers within an SEA also is critical to explaining how programs are transmitted to local districts. Since resources are scarce and federal programs serve overlapping target groups (e.g., vocational education and IV-C with their handicapped set-asides), it would seem that program coordination is essential. Yet categorical barriers do not fall easily and the traditional isolation of such programs as vocational education persists in many agencies.

We would expect a priori that federal set-asides such as those in IV-C encourage interprogram cooperation. However, we found in our study of the Title IV consolidation that the best predictor of SEA program coordination was not federal program mandates, but rather, overall SEA management style. If an SEA traditionally supported coordination across all types of agency programs, then it was more likely to coordinate Titles IV-B and IV-C with each other and with other state and federal programs.[53]

Choices about regulations, activities, and administrative relationships must be made for all federal programs that come into a state, and those choices are shaped by the larger state and SEA context. Yet they will also vary across federal programs. Given that federal priorities and strategies as well as state concerns differ from program to program, it is not unrealistic to expect that state-level variables explaining federal policy implementation will also differ across programs, at least in their relative significance. For example, we know that various federal programs make different demands on states, and that some are more visible than others, and hence subject to greater scrutiny by state legislatures and governors' offices. Our study of Title IV found that it is perceived as much easier to administer than either Title I or 94-142. It is also less salient to legislators and interest groups than the other programs are.

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[53] McDonnell and McLaughlin, pp. 66-67.

Our past research suggests that even within the same policy area the significance of state organizational and political factors will vary, depending on specific program characteristics. Among the most important are:

- The visibility of a particular federal program.
- The number of "strings" or programmatic requirements attached to it.
- The extent to which federal program objectives conform with state aims.
- Perceived legitimacy of the federal government in this area.
- Size of the existing state commitment in a federal program area.

Just as program visibility affects federal-level implementation, it also constrains state officials. The more visible a program is, the more closely will interest groups and state officials scrutinize administrative operations. Demands of competing interests that are unresolved at the federal level may subsequently present problems for state administrators. Such a situation is likely to result in less compliance with federal requirements as state officials attempt to modify program strategies to accommodate state and local interests.

A federal program with a greater than average number of strings can affect state-level implementation in several ways. First, the greater the number and the more precise the programmatic requirements, the harder it will be for the state to develop its own program strategies. State officials may be able to comply with federal standards, but their inability to adapt the program to local needs may mean that it is less effective than it might otherwise be. On the other hand, to the extent that federal officials can enforce their program mandates, they can be certain that federal goals are being operationalized in a way consistent with federal intent.

A second way in which the number and scope of federal requirements affect state operations is by the demands they place on the standard operating procedures of an administrative agency. Even if states choose only a compliance response, a federal program can strain agency operations. Reporting requirements are a typical source of problems. For example, the federal government requires states to demonstrate that federal funds are supplementing, not supplanting, state and local funds. But it may request the data in a form different from the way state agencies customarily collect it from local districts. Beyond the obvious effect such requirements may have on staff morale, state agencies need to assess the costs of changing their own procedures to meet federal requirements as compared with risking noncompliance and the threatened withdrawal of funds.

Ingram argues that through the grant bargaining process, federal agencies are more likely to win improvements in state organizational infrastructure than to change state action.[54] For federal grants to affect state policy, there must be common interests. Again, we would expect that the degree of support from both administrative agencies and state policymakers will be greater in cases where state objectives and federal programs are similar. This should be true even when a state and the federal government share common policy goals but disagree on the program chosen to operationalize them.

Federal grant programs have so thoroughly pervaded all areas of public policy that there are few issues today where the legitimacy of the federal government's action is seriously challenged. However, perceived federal legitimacy constitutes a continuum with one endpoint marking areas where most agree that the federal government plays a legitimate role (e.g., construction of major highways, control and prevention of communicable diseases). At the other end are policies for which the federal role is much less accepted (e.g., some kinds of civil rights and affirmative action enforcement, areas of economic regulatory policy). In education, this continuum tends to represent not who is being served, but rather how close federal program requirements come to the classroom door. For example, several years ago the federal government had to abandon its efforts to establish uniform competency standards because educators and parents argued that such standards would compromise state and local authority and allow the federal government to decide what should be taught. Where a particular federal program falls on this continuum of perceived legitimacy will significantly affect state commitment to its implementation.

The size of an existing state commitment in a federal program area can affect implementation in two very different ways. A large-scale commitment means that the state has accepted these particular policy aims as important and is accustomed to working in this area. At the same time, if the state already has its own program in place, it may be very reluctant to accept a federal grant if it means modifying an existing program. This is particularly true when state funding is much larger than the federal grant.

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[54] Ingram, pp. 513-514.

A state's choice about how to manage a particular federal program is the last in a long series of state-level factors that shape the way federal funds are transmitted to local districts. State management of federal programs greatly depends on the type of SEA responsible for these programs and the larger state context in which the SEA operates. Each of these variables represents a point at which the goals, decisions, and resource base of one governmental level impinges on the actions of the level above it. As a result, federal education programs that leave Washington in one form may arrive in local districts significantly altered. The research task, then, becomes one of explaining how and why programs are transformed, and how these changes affect overall program effectiveness and the integrity of federal goals.

Although our discussion of state-level factors has focused on their relationship to federal program implementation, the same factors also shape SEA implementation of state-funded programs—the most important factors in the latter case being the larger political context, particularly the role of general government, and the state's political culture.

Local-Level Implementation

Because budget constraints confined our study to the state level, we were unable to observe the effects of state factors on local implementation of state and federal programs. However, we can draw on our extensive past research on local district behavior to outline the link between state and local factors.[55] The discussion of local-level implementation is necessarily abbreviated here, but it suggests how state and local variables interact to shape the services ultimately delivered to students.

Many of the variables that are important in examining the state context also apply to the *local social and political context.* We need to know about the availability of public sector resources and how it affects local funding for education. Included in local political culture are citizen attitudes toward support of the public schools and toward meeting the needs of special student groups such as the handicapped and the poor. Also included in the local context are demographic data such as enrollment trends over time and the proportion of special needs students in a district.

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[55] See, for example, McDonnell and McLaughlin; P. Berman and M. W. McLaughlin, *Federal Programs Supporting Educational Change,* Vol. IV: *The Findings in Review,* The Rand Corporation, R-1589/4-HEW, April 1975; and P. Berman, M. W. McLaughlin, G. V. Bass, E. Pauly, and G. Zellman, *Federal Programs Supporting Educational Change,* Vol. VII: *Factors Affecting Implementation and Continuation,* The Rand Corporation, R-1589/7, April 1977.

The local social and political context affects *district organizational characteristics*. Included in this variable are:

- The district's overall management capacity.
- Its ability to plan and implement new programs.
- District organizational structure and particularly the relationship between the central office and individual schools.
- Superintendent leadership.
- The relationship between the superintendent and the board of education.
- The district's openness to community inputs.

District organizational characteristics shape *local management choices*. These choices include the decisions made not only by the school board and central office staff, but also by building administrators and, ultimately, classroom teachers. Local management of state and federal programs requires decisions about program beneficiaries, the services they will receive, and the way quality of program participation will be evaluated. For non-formula programs like Titles IV-C and VII, districts must also decide whether or not to apply for such funds. These decisions are most likely to be based on their assessment of district ability to compete and the congruence between state and local and federal and local priorities.

In addition to choices about the management of individual programs, local districts must decide how to coordinate state and federal programs with each other and with the district's general education program. Since multiple state and federal programs can serve the same student population, local districts need to make certain that students do not receive overlapping or conflicting services from different programs. Not only does such a situation minimize the overall effectiveness of these services for individual student learning, but also it can lead to "dollar stacking," the provision of multiple services to one school and none to a neighboring school with similar needs.[56] In examining the relationship between local Title I and 94-142 services, Birman found that duplication of services was not a major problem because teachers seemed to make a substantial effort to coordinate services and thus avoid providing redundant or identical ones.[57] In a more extensive study that examined eleven federal programs in six states and 36 local districts, the Comptroller General also found that school districts often structure their programs so that duplication of services to students is minimal.[58] In these instances, then, school and classroom management choices serve to integrate programs for special needs students.

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[56] Jackie Kimbrough and Paul Hill, ***The Aggregate Effects of Federal Education Programs***, **The Rand Corporation, R-2638-ED, September 1981.**

The coordination of categorical programs with the general education program is particularly important in those districts that receive a relatively large proportion of federal funds. Both for political reasons and the soundness of the overall education program, local administrators find it important to make certain that federal or state concerns and requirements do not overwhelm local priorities. For this reason, they often attempt to develop a comprehensive district strategy that includes categorical programs as merely one of several components in the district's approach to student services. Where this does not occur, a district can find that a state or federal program has become, in essence, the district's program. Such a situation tends to minimize overall program effectiveness because the sense of local ownership so critical to implementation success is lacking.[59]

Once a federal or state program filters through the local context, it reaches its ultimate destination, the individual classroom and student. As we indicated, each of the variables outlined in our analytical framework has the potential to shape and alter *program design and service delivery*. Consequently, in explaining why categorical programs vary across states and local districts, we need to assess how each of these political and organizational variables affects service delivery. In this report, we focus on one level of the intergovernmental system in order to explain how state-level factors shape program implementation.

Subsequent chapters discuss these variables in greater detail and describe how they differ across the states in our sample. Chapter 2 describes the determinants of policy implementation in each state, and Chapter 3 assesses the relationship between state political factors and SEA activities.

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[57] Beatrice F. Birman, *Case Studies of Overlap Between Title I and P.L. 94-142 Services for Handicapped Students*, Research Report EPRC 26, SRI International, Menlo Park, California, August 1979, p. v.

[58] U.S. General Accounting Office, 1980.

[59] Berman et al. (1977), p. 29.

Chapter 2

FOUR STATE PROFILES

In most states public education accounts for between 30 and 35 percent of total state expenditures and usually constitutes the largest single item in the state budget. Consequently, even if the substance of public education were not a political issue, its funding would be. The governor, state legislature, and various constituent groups pay close attention not only to the total amount spent on public education, but also to how funds are allocated among districts and programmatic purposes. Both the process by which these decisions are made and the decisions themselves shape state education agencies—their organizational structure, priorities, capacity, and the role they play in education policy. These SEA characteristics, in turn, determine how state and federal education programs are implemented in a given state.

This chapter describes education politics in each of our sample states and identifies those political and organizational factors that explain implementation differences across states. State political and contextual factors include demographic and economic variables, particularly the fiscal health of the public sector; state political culture; the role of the legislature and governor's office in education politics; and the strength of education interest groups. In examining the SEAs in these four states we focus on the way each defines its responsibilities, how it is organized to meet these responsibilities, and the resources it commands.[1]

STATE A

State A is considered to be among the most progressive in the country for its support of public services, particularly education. It is also unusual in the extent of state control over school districts through student competency testing, individual school accreditation, and teacher certification.

Despite a liberal image, State A has a competitive two-party system. However, the Republicans who have served in Congress and as governor tend to come from the liberal to moderate wings of the party. State A includes some of the largest cities in the country; these areas are typically represented by Democratic legislators. At the same time, State A also includes extensive rural and suburban areas where Republicans are in the majority.

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[1] In order to protect the confidentiality of our respondents, we are not using conventional citations for those bibliographic sources that would identify the states in our sample or individual respondents. However, sources used in preparing this report are listed in the bibliography.

State A serves almost three million students in public elementary and secondary schools. Statewide, approximately 30 percent of the students are black and hispanic, but in the state's largest cities this proportion increases to over 65 percent. State A's state and local tax revenues as a proportion of personal income rank its public sector spending among the five highest in the country; average per pupil expenditures are also among the nation's highest.[2]

The Governor's Role

Perhaps the most unique aspect of State A's education governance is the power of the state board of education (SBE). Members are appointed by the legislature and govern all education in the state—public and private, elementary, secondary, and higher. Traditionally, the SBE has collectively been the most visible and strongest symbol of educational leadership in State A. As a result, both the governor and state legislature defer to the SBE on most nonfiscal decisions.

The governor's concern with education is primarily fiscal, and he has consistently recommended less state education aid than the legislature eventually approves. Although his proposed budget-cutting has not always been successful, he has been able to decrease the state share of education costs. He reduced state spending in all policy areas in the wake of a fiscal crisis that hit State A in the mid 1970s. At its height in the late 1960s, the state share of education costs was almost 50 percent. That figure was cut to about 39 percent, and has remained at that level for the past five years.

The Role of the Legislature

The State A legislature is one of the most professional in the country. It meets for most of each year and has excellent staff assistance. Presently, the lower house has a Democratic majority and the upper house a Republican majority.

Legislative concern with education policymaking is confined primarily to fiscal matters, and most major divisions within the legislature are reflected in debate over the state aid formula. In fact, one legislative staffer characterized education as the "single most predictable, ongoing partisan issue." Since the early 1970s, the legislature has never accepted the SEA's recommendations in toto; it always modifies the formula before it is passed. The state aid formula is important to state legislators for two reasons: It symbolizes "bringing home the bacon" and it has implications for local property taxes. The more state aid the legislature can provide, the less pressure upon local property taxes.

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[2] Education Commission of the States, *Revenues, Expenditures, and Tax Burdens: A Comparison of the Fifty States*, Working Paper No. 35, Education Finance Center, Denver, Colorado, April 1981, pp. 10-11, 16-17.

Although the legislature tends to avoid classroom-level issues, it has become involved in some substantive areas. Competency testing is a recent example. Several respondents noted that legislative interest in competency testing was a primary factor in prompting the SBE to develop its own test. Although the SBE preempted the issue, it has not been immune from legislative criticism. A major flap occurred several years ago when the nine-year-old son of a legislator passed the SBE's competency test designed for ninth graders. The SBE was forced to revise the test before the legislature would appropriate funds for examination centers.

The legislature also exerts a major influence on education policy through its SBE appointments. Because the lower house has three times as many votes on the matter as the upper house, the SBE must be particularly responsive to this body. Often SBE members are appointed because of their political connections and legislators remain close to the SBE members they appoint, thus maintaining an informal link between the legislature and the SBE. In fact, some legislative staff now regularly attend SBE meetings.

The legislature, then, tends to concentrate on the fiscal aspects of education policy to the exclusion of more substantive issues. The state aid formula is an issue which is not only salient to all legislators but is also a subject of ongoing controversy and partisan division. When the legislature does deal with an issue that affects school and classroom operations, it is usually because this issue has received public and media attention—as is the case with competency testing. Although the legislature's concern with fiscal issues constrains the SEA, the legislature defers on substantive issues because of the SBE's historical role in education governance and its acknowledged competence and professionalism.[3]

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[3] As in many other states, the legislature has considered mechanisms to reappropriate federal funds coming into State A, and the expectation is that a bill at least requiring state agencies to inform the legislature about the amount and type of federal funds they receive will eventually be enacted.

The legislature has several concerns about federal funds. The first is a belief that

Education Interest Groups

Organized teachers constitute the most influential education interest group in State A. The largest group is the AFT affiliate, with the much smaller NEA affiliate representing teachers in some suburban and rural districts. Although State A has a collective bargaining law, organized teachers have been unsuccessful in persuading the legislature to rescind its punitive strike penalties. But in other areas the teacher organizations, particularly the AFT affiliate, wield tremendous influence. Because they support political candidates, organized teachers command more attention from legislators anxious to be reelected.

Special education groups (the physically handicapped, learning disabled, gifted and talented) are the strongest and most active client groups. State A has a comprehensive handicapped program; and in a time of fiscal stringency, the state recently allocated new funds for a limited gifted and talented program. Organizations representing the handicapped have networks of local chapters and do most of their work at that level. But each has a legislative director in the state capital who is regularly consulted by the SEA and a legislative task force on the handicapped. In addition, a number of local parent groups have won several major court cases that will change how handicapped education services are delivered in State A.

Other client groups tend to be quite weak. Bilingual groups are disorganized, and consequently there is no state mandate for bilingual education (despite large hispanic enrollments in the state's urban areas). Likewise, the PTA is diffuse and Title I parents are not organized at the state level.

State Political Culture

State A was one of the first to have a compulsory education law and public support for education has always been very strong. Residents have been willing to spend a large proportion of their personal income (close to 6 percent in 1970) on public schools, and political candidates have been able to capitalize on these sentiments in advocating increased expenditures for education.

Support for public education in State A has been high, particularly

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without proper oversight, executive agencies may use federal funds to thwart legislative intent. In fact, some have used discretionary federal funds (like ESEA Title V) in the past to fund items for which the legislature would not approve state monies. Legislators in State A are also concerned about program duplication and having to finance programs begun with federal grants when federal funding ends.

in suburban areas of the state where education is, according to one respondent, a "sacred cow." But public support is declining. All except the city school districts in State A must have their annual budgets approved by the voters. In the past, that approval was almost routine; in 1968, for example, 90 percent of the budgets were approved the first time they were placed before the voters. In 1978, however, only two-thirds were approved the first time around.

Although politicians pay lip service to the notion of local control, it is less a part of State A's ideology than it is in most states. State A residents have long accepted the concept of a strong central government; and while local officials may complain about the burden of state regulation, centralized control is generally accepted as legitimate, at least in principle.

Most respondents agreed that state control over district operations is extensive. One legislative staffer went so far as to say that local control is a myth in State A. He characterized the state's authority as "an iron hand in a velvet glove," and asserted that state control is tightest in the areas of minimal standards, testing, and mandated participation in state program. The SBE's testing program extends not only to minimal competency, but also to a series of examinations that rank college-bound students on a whole range of academic subjects. Because districts want their students to do well on these exams, local curriculum is designed to prepare students for the tests. Consequently, SBE/SEA mandates affect not only district administrative practices, but also what is taught in local classrooms.

State A is traditionally characterized as a progressive state and its commitment to educational equity is probably among the highest of all states in the nation. The state aid formula acknowledges the special needs of handicapped and educationally disadvantaged students. On the other hand, State A has been relatively slow in dealing with the problems of school finance equalization. Not until the late 1970s, only months before a major court decision, did the legislature move to reduce the number of wealthier districts disproportionately benefiting from save-harmless provisions.

State A's political culture constrains the SEA less than in many states. The state has a long tradition of strong state control over local jurisdictions and public support for education has always been stronger than in most states. Although fiscal stringency and public criticism of educational quality are making the SEA's task more difficult, the agency still enjoys support from politicians in both political parties and a high degree of autonomy. In fact, most constraints on SEA actions come not from the larger political system, but internally from the SBE.

Public Sector Resources

In a sense State A is in a much better position than many other states because it faced serious fiscal problems more than five years ago. At that time, the state government was in danger of incurring huge deficits and the state's largest city faced bankruptcy. After the shock of the initial disclosures, state and local officials moved quickly to reduce spending, and both levels are on a much sounder financial base today. However, the budget-cutting process was not easy. For example, the SEA's budget has not been increased to keep pace with inflation and the agency has lost about 15 percent of its staff positions over the past five years. But the SEA has reorganized and begun seriously to address the problem of providing services with fewer resources.

Consequently, lessons about managing fiscal retrenchment that many states have yet to learn are now part of State A's management perspective. Although the state and its large cities still face difficult times, most observers feel the worst is over. The state now has a balanced budget and the cities are moving in that direction.

The State Department of Education

State A's SEA, one of the country's largest and most professional state education agencies, has played a strong, active role in public education since its inception. It assumed a position of leadership in defining standards of educational quality, developing curricula for the state's public schools, and in specifying the focus of special project activities. The SEA is a well-developed organization with sophisticated information systems, comprehensive planning routines, and a differentiated, specialized staff. As staff to a prestigious, politically influential, and active SBE, the SEA sees its responsibility as nothing less than running the state's public school system. Until recently, the SEA fulfilled this responsibility essentially as a regulator; the volume of guidelines, regulations, and audit and evaluation procedures in State A is probably not exceeded anywhere else in the country. However, new leadership, together with lessons learned from the past decade's efforts to promote quality in local education agencies (LEAs), has also led the SEA to frame intervention in terms of assistance strategies and to increase the coordination of SEA activities, regardless of funding sources. Increased coordination is also seen as a survival strategy by SEA leadership now that fiscal stringency has reduced staff resources.

SEA Structure. The SEA is a large, highly differentiated bureaucracy with approximately 2400 staff. Over 80 specialized units are organized into substantive offices, which are brought together under four Deputy Superintendents. The Deputy Superintendent for Elementary, Secondary, and Continuing Education oversees all federal and state-supported K-12 education activities through four functional offices: Occupational and Continuing Education, Special Education, General Education and Curricular Services, and Education Finance and Management. Vocational and Special Educational programs are housed in separate offices; all other federal programs are located in the General Education office, in units that correspond to their objectives. Title IV-B, for example, is managed through the Library Services unit; Title I is administered by the Educational Opportunity unit.

The SEA integrates and coordinates its special project and general education activities in a number of ways. At the most general level, SEA leadership has instituted organizational routines that ensure clear transmission of broad SEA goals and priorities throughout the agency. Consequently, there is a high level of horizontal and vertical communication. The three assistant superintendents responsible for general education and basic skills projects, agency planning, and LEA relations meet at least three times a month to review special project applications and materials. They work to ensure that project priorities and activities are consistent with those of the SEA, and to identify implications for planning, data collection, and communication with local districts. All seven assistant superintendents meet twice weekly with the Chief State School Officer (CSSO). Immediately following these meetings, assistant superintendents communicate the resulting information directly to their staff. An important part of the CSSO's strategy is well-developed mission statements which show how agency activities do and should relate to goals and objectives as well as to anticipated changes. As a result of these activities, a consistent message is disseminated throughout the agency. This high level of clarity and consistency in SEA communication serves an important role in coordinating activities throughout the vast agency.

In State A, staff assignment is another management strategy that supports the integration of federal and state programs. The directors of specially funded state and federal projects serve primarily as fiscal agents. Federal program staff are dispersed throughout the agency's specialized units. Staff in the reading unit, for example, are funded by the state, but also by Titles I and IV. "From the beginning (of federal funding)," explained a top level administrator, "an effort was made to avoid categorical fractionalization in the department. Categorical people are blended into the general agency program. We have always taken a total-fund budgeting and planning approach."

Staff located in subject area bureaus are responsible for reviewing and approving the curricular content of special project applications. SEA subject area specialists review LEA applications for instructional quality, sound practice, and consistency with other departmental efforts in the same area. This policy provides quality control and ensures that basic skills projects use consistent pedagogical methods across both federal and state categorical programs and State A's general education program.

This policy has recently been expanded to include a pro-rata staff time charge policy. Thus a single reading specialist can work on Title I reading programs, Title IV reading projects, and reading efforts funded through the state's special projects, as well as the general education reading curricula. This policy has increased state-level coordination of similar activities, and has made it possible to integrate SEA visits to local districts. A single SEA monitor can assist LEAs with all their reading programs, regardless of funding source.

SEA Role. In State A, strong leadership, size, and a high level of staff differentiation all support a strong state role in public education. The SEA's active involvement can be seen in the comprehensive guidelines and standards it issues, and the high level of SEA investment in curriculum development, active monitoring, and technical assistance to local districts. At the direction of the SBE, the SEA has added four new activities designed to improve local education quality: a statewide competency testing program for all students; new requirements for the registration of secondary schools; strategies to upgrade teacher competency, such as a professional practice review board, state-supported inservice education, and required teacher licensing and internship procedures; and finally, a targeted school assistance program which directly channels SEA resources to schools identified as underachieving. The State A SEA has, in short, played a strong and energetic role in shaping the inputs to—and assessing the outputs of—local schools. Given the SEA's view of federal funds as supplemental to state efforts, it is not surprising that State A's SEA also plays an influential role in federal program implementation. Through additional regulation, the SEA has imposed a number of requirements that LEAs must address in their federally supported projects. In general, these requirements have two goals: to promote local projects that address state-identified needs and priorities, and to shape the local implementation process in ways SEA officials believe will promote quality. The unified application and school-level advisory councils are examples of this additional regulation. Further, Title I, Title VII (bilingual), and Title IV projects are required to focus on SEA-specified basic skills priorities. Through its guidelines and directives, then, the State A SEA influences the focus of local projects as well as the way in which they are implemented. In the view of State A SEA officials, this strong role is essential to promoting quality projects throughout the state.

SEA Priorities. State A has shown commitment to special needs students that matches its active involvement in general education. It was among the first states to pass legislation benefiting educationally disadvantaged youth, bilingual students, and handicapped students. This state-level investment in categorical programs reflects substantial and visible need; any state initiative that addressed general quality issues would almost certainly have to address these categorical concerns as well. But perhaps more important, this commitment reflects the political influence of legislators representing districts serving special needs students and the concomitant strength of interest groups speaking for them.

The SEA has identified "improved quality" as its preeminent general education priority. SEA programs in school recertification, teacher training and licensing, competency exams, and the targeted school assistance program are strategies designed to address this objective. Thus it is not unexpected that State A's management of federal programs shows directive concern for the quality of federal programs, their success, and their consistency with general SEA objectives. In State A, state and federally funded efforts are seen as all of a piece.

SEA Capacity. State A, with its long history of active leadership in public education, has significant capacity by almost any measure. Although fiscal cutbacks have reduced the resources available to the SEA, the sophistication, expertise, and level of activity in State A remain impressive. For example, curriculum materials produced by subject area staff have received attention in national journals. Professional staff take an active leadership role in state and national professional organizations. Technical assistance staff continue to spend over 50 percent of their time in the field. Further, although SEA salary levels are not competitive with school superintendencies or principalships in larger districts, the SEA has managed to recruit talented and vigorous individuals to agency positions. Because of its active role, State A's SEA is seen as a unique professional challenge, rather than the retirement pasture some SEAs have become. Strong executive leadership further enhances SEA capacity in State A.

Staff activities in State A are also supported by a high level of rationality. The SEA's ability to collect and analyze information relevant to policymakers and local practice is, to our knowledge, unsurpassed by any other SEA. Its investment in analytical capacity reflects in large measure the agency's directive role in public education. That is, effective development of funding applications, standards, curricula, tests, and the like depend upon good information about the nature and effect of state requirements and local practices. A detailed reporting scheme allows the state to track local expenditures by category, student achievement, and special project activities. Within the next year, the state expects to implement a system that will provide individual student data. These data will allow staff to analyze the effects of special projects over time, explore the relationship between categorical and general education activities, and construct estimates of sustained effects. The SEA also has a well-staffed research unit to conduct special project evaluations beyond those mandated by state or federal requirements. These products have proven useful to SEA officials lobbying before the legislature for more money and new programs. For example, legislative willingness to invest in a statewide compensatory education program was in large measure based on detailed evaluation of pilot projects in the state's largest city.

This high level of SEA capacity has influenced federal program implementation in a number of ways. State A's level of staff expertise has permitted the SEA to provide strong, substantive direction to local projects. Projects are approved on the basis of program quality as well as compliance with the law. Where local applications are seen to be lacking, state staff work with local personnel to develop a better proposal. Data collected from local projects have allowed SEA staff to modify guidelines or develop new ones.

Because of the consistency in State A and federal priorities and the coordination between the two sets of programs, the variables that explain implementation outcomes are similar across programs. The political culture of State A legitimates a strong state role in public education; the legislature and governor both support and defer to the SBE; and the SBE and CSSO have together provided the leadership needed to capitalize on the supportive political environment in which the SEA operates. As a result, the State A SEA has the will and capacity to address problems of educational quality effectively, despite fiscal retrenchment.

STATE B

"Paradox" is the word most often used in describing State B. Although it is traditionally portrayed as one of the most progressive and prosperous states in its region, other states have now surpassed it in economic development. This shift has left State B as one of the most heavily blue-collar states in the country, with a per capita income that places it in the bottom one-fifth of all states. State B's schools were among the first to be desegregated and today it has one of the most integrated systems in the country. Recently, however, State B received national media coverage because of several violent encounters between blacks and whites.

State B is currently headed by a governor considered to be quite progressive, yet its two U.S. senators are among the most conservative in Congress. The main campus of the state university system has a strong tradition of excellence and is ranked among the best in the United States. At the same time, about one-half of the state's population live in households headed by persons who did not complete high school, and one-fifth of the households in the state are headed by persons with less than an eighth grade education.

Largely because of the state's poor educational attainment and its negative effect on future economic development, support for public education is still politically popular in State B. The current governor plays an active role in shaping education policy and is joined in this endeavor by the legislature. For this reason, State B currently has a national reputation as a state committed to public education.

State B's elementary and secondary schools enroll slightly over one million students, approximately 30 percent of whom are black, with other minorities representing about 2 percent of total enrollment. Its state and local tax revenues as a proportion of personal income place State B in the bottom fifth among the states. Its average per pupil expenditure places it slightly higher in the state rankings, but still well below the national mean.[4]

The Governor's Role

The governor of State B does not have strong constitutional powers (e.g., he cannot veto legislation), and only recently was allowed to hold office for more than one term. However, there is no alternative source of power in the state that can effectively counter his influence. The legislature is an amateur one and the majority of its members are Democrats. Consequently, if there are splits within the party, the governor's faction will prevail.

The present governor has made education the keystone of his program. During his first electoral campaign he promised that every child in the state would be able to read by the time he or she reached third grade. Once elected, the governor initiated a reading program designed to put more resources into the state's primary grades. The governor is also largely responsible for the state's competency testing program and another smaller program designed to develop community schools in local districts. As an "education governor," the present governor follows in a tradition, dating back to the 1930s, of several State B governors who were actively concerned about public education.

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[4] Education Commission of the States.

The governor has continued to make education his central focus. In his reelection campaign he promised that he would now work to see that every State B student graduates from high school. The governor's involvement in education is surprising not only for its extent, but also because he believes that education is an issue that can help him politically. Although the governor is politically ambitious, he does not view involvement in education policy as an obstacle to future political success. This perception contrasts with that of many politicians today who avoid education policy in the belief it will jeopardize their careers. The governor has capitalized on public concern about the quality of schooling in State B and has effectively argued that improved public education will lead to greater economic development.

The governor's involvement in education has energized the rest of state government, particularly the legislature and the SEA. The CSSO is an elective position in State B and the present CSSO is popular. Consequently, the SEA enjoys considerable status, independent of the governor. However, the governor's interest has further improved the SEA's stature and increased the staff's sense of purpose. But the SEA has paid at least a modest price for the governor's interest in education. For example, the governor established a special math and science high school designed to attract the best students from all over the state. The SEA opposed this concept, arguing that it is elitist and would "cream" the best students from local districts. However, the high school was established despite SEA objections. The governor also has definite ideas about how additional funds should be used and has directed that they be spent on classroom aides. This approach differs from the SEA's preferred strategy of reducing class size instead. In both cases, however, the SEA acquiesced, believing these costs are outweighed by the benefits gained from an activist governor concerned about education.

The Role of the Legislature

State B's legislature meets for only several months each year and has minimal staff capacity. Although it is constitutionally stronger than the governor, the legislature tends to defer to him in initiating policy. However, politics are consensual, and through an advisory group the legislature plays an active role in developing the governor's budget. This group consists of members from both houses of the legislature and several gubernatorial appointments. The governor's budget is not presented to the legislature until the group approves it, thus ensuring that the legislature will accept the budget essentially as presented.

The legislature's interest in education is primarily fiscal, although several issues have substantive implications. The state funds approximately 60 percent of the cost of public education in State B and the legislature mandates that each district spend its funds within 70 budget categories (reduced from over 100 line items several years ago). For example, local districts are told how much they can pay teachers, how many students each teacher will teach, how often textbooks will be replaced, and how many clerks and janitors a district can employ. Districts can supplement state support with local tax revenues, but state funds must be spent according to strict state guidelines. The legislature has imposed these requirements largely as a means of achieving fiscal accountability, but they have substantive implications. For example, districts cannot decide to increase class size and spend the money saved on more textbooks.

Teacher salaries in State B were traditionally among the lowest in the country. Due to the efforts of several recent governors, including the present one, average teacher salaries in State B now rank close to the national mean. This change has also prompted legislative concern. With the average teacher salary close to $18,000, teachers are now among the highest paid workers in some of the state's poorer communities. Consequently, the legislature feels a need to justify these salaries. It has instructed the SBE to write criteria for evaluating teaching personnel and has also established an educational personnel commission. This commission, most of whose members are from the private sector, will recommend guidelines for teacher salary increases to the governor and legislature. Legislative concern about teacher standards and productivity has also prompted the SEA to make this issue one of its own program priorities.

Although the legislature tends to defer to the governor and CSSO in substantive matters, its control over the fiscal aspects of education clearly affects how local districts deliver services. The legislature has also influenced the SEA's current policy agenda with its concern about teacher quality and productivity.

Education Interest Groups

As in the other states in our sample, State B's most influential education interest group is the teachers' association, an NEA affiliate.

However, this organization differs from the others because State B has no teacher collective bargaining. Consequently, the teacher association's only source of influence is necessarily political. Without collective bargaining and with teacher salaries largely established at the state level, political action and lobbying are critical to advancing teacher interests. Since the early 1970s, the teachers' association has been quite successful in obtaining salary increases for teachers, reducing class size, and, along with other interest groups, was instrumental in lobbying for a mandatory kindergarten program in the mid-1970s.

Since they do not make political contributions as the NEA affiliate does, other interest groups such as the PTA and the school boards association are not as influential with the legislature. However, they are listened to by legislators and, unlike the teachers' association, these groups have a close working relationship with the CSSO and the SEA. In fact, the CSSO was instrumental in selecting the new executive director of the school boards association and the president of the statewide PTA is an SEA employee.

Client groups with influence primarily represent special education interests. These groups include a gifted and talented association, the Association for Retarded Citizens (ARC), a group representing the hearing impaired, and a statewide Association for Children with Learning Disabilities (ACLD), which is just beginning to develop a lobbying capacity.

There are no client groups representing compensatory education, although State B has a sizable student population living in poverty. However, many of these students reside in rural areas, so even the organizational resources often available to the urban poor are lacking.

State Political Culture

For education policy, the most important aspects of State B's political culture are strong support for public education and the absence of extensive local control. As we noted above, the public realizes that the state's educational system needs substantial improvement and has been willing to support policies to that end. This support has been reinforced by strong political leadership and an ability to link improved education to greater economic development.

As one former governor of State B noted, local control is not an "overwhelming idea" in State B. For example, there are no county road systems because the state maintains most roads. The state is also responsible for the majority of prisoners, including misdemeanants, because the county jail system is so small. As indicated previously, the state controls most local education spending with its detailed cost accounting requirements.

These two aspects of state political culture—strong public support for education and weak local control—give the SEA considerable flexibility in implementing state education programs. However, the state's political culture does not provide the SEA similar latitude in its approach to federal program implementation. Public attitudes toward the federal government are strongly negative and are reflected in recent statewide voting patterns—the same voters who reelected a progressive governor also sent a very conservative candidate to the U.S. Senate. The federal government is viewed as unnecessarily interventionist, with this image resulting largely from the federal government's role in school desegregation and race relations generally.

Despite the large black population in State B, there is virtually no black political infrastructure except in one urban county. Consequently, few political interests openly support the kind of equity goals espoused by most federal education programs. (The exception to this generalization is handicapped education, which receives considerable support.) To some extent the governor has circumvented this lack of support for social equity in promoting his own education programs. For example, rather than selling the primary reading program as a way to help poor or black children, he used a traditional populist approach: The program would benefit *all* children. Public attitudes toward social equity and federal intervention mean that the SEA cannot appear to promote federal goals or enforce federal requirements too strongly. At the same time, State B is quite authority-oriented in its political culture, so the SEA and local districts are expected to achieve at least minimal compliance with federal mandates.

Public Sector Resources

While its problems are not severe, the public sector in State B faces a period of fiscal retrenchment. State B has not enacted a tax increase in 10 years and has funded all of its new programs out of economic growth. Now, with economic expansion slowing and public sector costs increasing, the state faces some difficult decisions. State B is unlikely to raise taxes because of public opposition and the belief that its image as a low-tax state will continue to attract new industry.

Given that new taxes are unlikely, programs will have to be cut. However, all respondents agreed that elementary and secondary education's share of the state budget (approximately 40 percent) will remain constant, if not increase slightly. Because of the governor's commitment to education, he will personally protect it during the budget-trimming process. Still, education will not go untouched. For example, state funds for instructional supplies have been frozen at 10 cents a day per student.

Most observers, including the governor's budget staff, believe that State B is in an excellent position to deal with retrenchment. The state has no large urban areas with serious fiscal problems; State B is still experiencing some modest in-migration; there is no state debt; and both the governor and the legislature are fiscally prudent. Consequently, the expectation is that state spending will be brought under control before State B faces serious problems in five years or so.

In sum, education funding in State B faces a time of fiscal retrenchment, but the effects are unlikely to be severe and budgetary cuts will not unduly constrain the SEA. Strong gubernatorial support and a willing public should protect education from the worst effects of fiscal retrenchment.

The State Department of Education

State B has always exercised strong fiscal control over LEAs through its state-specified salary schedule and line-item budgeting of state funds for local districts. However, the SEA had little programmatic capacity until strong gubernatorial support for public education, combined with the stimulatory effort of federal funds, made an active SEA possible. The SEA defines its role exclusively in terms of technical assistance and support for local activities and does not impose many regulations on local districts. Monitoring required by federal programs is done apologetically and with concern that these federally imposed responsibilities will discredit SEA technical assistance efforts. Consistent with its technical assistance philosophy, State B's SEA has made a self-conscious effort to decentralize agency activities. Approximately one-half of the SEA's 750 staff members are now located in regional offices throughout the state. The State B SEA is still in the process of developing institutional capacity to carry out its role. With a strong CSSO and the influential support of the governor, the SEA will be able to plead its case effectively to the legislature as the state's economic base contracts.

SEA Structure. The State B SEA, which has a mixed categorical/functional structure, is managed by six Assistant Superintendents, three of whom oversee federal programs. Title I, child nutrition, and migrant programs are housed in the Administrative Services Division; Title IV-C falls under Research and Development; Special Education and Vocational Education are managed by the Assistant Superintendent for Instructional Services, whose division contains most of the SEA's staff and resources. Title IV-B falls under the purview of the special assistant for federal relations. Only Vocational and Special Education have a close organizational relationship to the SEA's general education and basic skills activities.

The SEA has virtually no coordination across programs and respondents point to this lack of coordination as a major agency weakness. In fact, there is no structure in place to promote coordination even in theory. Nor is there regular communication among staff; agency-wide meetings occur only once or twice a year. There is also no clear agency mission to guide activities within specialized units. Consequently, policy is developed by middle management, according to the perspective of individual administrators. Although Special Education and Vocational Education are in the same unit, administrators contend that administrative detail precludes coordination between these activities or with general education. Title I is functionally removed from instructional services. It is also physically removed from the SEA staff, located several miles out of town in rented offices. Likewise, Title IV-B and the federal projects officer are located at a distance from the main SEA building. IV-B thus is operated independently from the state's reading, communications, and media activities.

The coordination that does take place in State B occurs in the field. State B's eight Regional Service Centers are an important component of SEA operations and part of a self-conscious strategy to decentralize agency services. Each center serves from 16 to 20 LEAs; major activities include inservice education and curriculum development. They are staffed by a director, a Title IV-C facilitator, Title I, vocational and special education coordinators, and approximately 14 other professional staff funded with state funds. However, federal program staff in State B's Service Centers serve an explicitly categorical function and report only to their federal program counterpart in the SEA. Thus when coordination between state-funded and federally funded efforts does occur, it occurs at the initiative of individual staff or LEA personnel. There is no SEA effort to promote coordination between federal program and state-funded staff.

However, it is important to note that State B's lack of structural coordination belies impressive agency coherence in management philosophy. The CSSO's commitment to management by assistance and suggestion rather than by regulation and direction permeates the SEA. As one SEA administrator remarked: "It's just something everybody knows we're supposed to do." The absence of coordination across activities in State B, then, is accompanied by a high level of consistency in the philosophy underlying them.

SEA Role. The SEA's role in public education, like the state's political culture, is paradoxical. In one respect, there is strong state control over LEA activities. Legislative control over teacher salaries and other line-item allocations, and the existence of a state-approved textbook list with few options, all constrain local activities in crucial ways. Especially in poorer LEAs where the state contributes up to 85 percent of the budget, district staff have little discretion over how funds will be spent. In contrast, the SEA has played a nondirective role in education policy, leaving decisions about the content of local programs to district staff. As one SEA administrator put it: "Our aim is to give the locals as much flexibility and assistance as reasonably possible. The state will tell the locals what they can spend their money on, but not how. It's their wagon to pull." The SEA has been extraordinarily active in providing assistance. Schools implementing the state's primary reading program, for example, have received extensive technical assistance from both regional and central office staff. One SEA official commented: "It's a rare day, if ever, that each district in the state doesn't have at least one regional staff member in it."

State B's strong technical assistance role has influenced state implementation of federal programs through its perceived conflict with federally mandated monitoring and enforcement responsibilities. The SEA has dealt with this conflict by minimizing these federally imposed oversight responsibilities as much as possible. Nonetheless, there is strong concern within the SEA that if the state has to continue to be both an enforcement and an assistance agency, it might destroy its service thrust. Consequently, SEA monitoring of local projects supported with federal funds is minimal and apologetic.

SEA Priorities. State B's priorities are explicitly framed in terms of enhancing local educational quality. The governor and CSSO believe that all students, including special needs students, will be better served by improving the entire program. With strong support from the governor, the SEA has set about a systematic plan to do so, beginning with the primary grades' reading program now in place across the state. The success of this effort generated practitioner and legislative support for another major departmental effort aimed at secondary schools. To supplement these efforts, the SEA has initiated a Principal's Institute designed to provide principals with management and planning skills. Staffed by five SEA staff and seven principals on leave, the Institute is expected to reach every principal in the state this year.

Federal programs are addressed in State B's priorities only as "gap fillers." For example, LEAs have been urged to target Title I funds on grades 4-8, classes presently not included in state-supported efforts. Title IV, which is not seen as categorical, has been utilized to support the state's regional capacity.

SEA Capacity. Because of support from the broader political environment, State B has been successful in leveraging federal funds and in acquiring state resources to build SEA capacity. State funds now support 80 percent of State B SEA staff. State B ranks in the high-mid range among all SEAs in its organizational resources. The SEA staff is much larger than would be expected given the state's population. Further, the overall expertise and energy of the staff are high. The strong leadership of the governor and CSSO have attracted staff eager to participate in what has been described as the state's "renaissance" in public education. Most of this added capacity, however, has been directed at state initiatives—namely, the primary reading program and the secondary school effort—rather than at federal program implementation. Nonetheless, the way in which the State B SEA has utilized its staff capacity has influenced federal program operations. The SEA's active and well-staffed network of regional centers has brought state and federal staff closer to LEAs. As a result, local personnel responsible for planning and implementing federally supported projects have ready access to assistance in interpreting federal guidelines and preparing project applications. Regional federal program staff members review local project applications before they are submitted to the central SEA office. Although these staff cannot approve applications, they have been effective in spotting and correcting problems in local applications before they are forwarded to the state capital. SEA staff report that this regionalized system has significantly reduced the number of audit or other compliance problems that must be corrected before the SEA can approve local applications and has brought some consistency to local interpretation of federal regulation and intent.

Although SEA staff report that "it has been somewhat of a struggle to keep the regions from becoming eight separate state departments," steps taken by SEA central office staff have, by the report of regional personnel, effectively eliminated communication problems. Regional location of SEA staff has also allowed more technical assistance to LEAs operating federal programs than mandated responsibilities would permit, if staff were located in the state capital.

State B's strong regional network, which provides ongoing information to SEA staff about local activities and needs, combined with the agency's explicit preference for a technical assistance rather than a regulatory role may explain why, in contrast to the SEA's relatively strong staff capacity, agency rationality is low. In the view of SEA respondents, regional staff are able to provide sufficient information about LEA needs and problems. Consequently, the SEA planning unit is small and has little interaction with other units. It spends most of its time on administrative matters related to personnel projections and district staffing needs. Similarly, there is little use of evaluation research in the agency. Only one member of the small research unit engages in research beyond what is mandated, and evaluation staff attached to federal programs do little beyond completing prescribed forms. Since the SEA assumes little direction over federal program implementation, there is no appetite for information about local project activities or routines for using such data.

Like State A, then, State B's political and organizational environment allows the SEA to play an active role in education policy. The state's political culture sanctions such a role and above all, the governor's leadership provides the SEA with the needed resources and support. At the same time, State B also illustrates how a strong state need not be regulatory and how an activist state government can influence local implementation patterns as much through assistance as through control.

STATE C

State C is a large, populous state whose politics are dominated by cleavages between the state's largest city and rural and suburban interests throughout the rest of the state. At the state level, the Democratic and Republican parties are among the most competitive of any in the country, with the Democrats representing urban constituents and the Republicans the largely suburban and rural areas.

Despite the highly partisan politics of State C, education has not been the focus of major partisan splits. However, it often forms the basis of compromise between the two political parties and their respective constituents. For example, legislators from rural areas will agree to greater education funding for the state's cities in exchange for increased road funds to be spent largely in their districts.

Besides a strongly competitive two-party system, the other salient characteristic of State C's politics is a strong sense of local control. In education this is illustrated by the large number of local districts: State C still has over 1000 school districts with the vast majority enrolling fewer than 1000 students.

State C currently enrolls over two million students in public elementary and secondary education, approximately 30 percent of whom are minorities. Although state and local tax revenues as a proportion of personal income place State C only slightly above the national mean, its average per pupil expenditure ranks it among the 10 highest-spending states for public education.[5]

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[5] Education Commission of the States.

The Governor's Role

Because the governor appoints the state board of education, which in turn selects the chief state school officer, he potentially could exert a major influence over education policymaking. But elementary and secondary education is a low priority for the present governor, and he has left this policy area to the legislature, the SBE, and the CSSO.

Education is not part of the governor's policy agenda for three reasons. First, his major goal has been to balance the state budget, which he has done, and the state now enjoys a modest surplus. Second, he believes there is little political payoff from involvement in this policy area, especially since advocating increased expenditures for education would conflict with his image as a fiscal conservative. A final reason is that his substantive policy interests lie in areas closer to his own professional background in law enforcement.

The governor has not completely isolated himself from education policy, however. For example, in selecting a new CSSO, the SBE consulted the governor's office. The governor's office also assists the SEA when it experiences difficulty in satisfying federal requirements; most recently, this involved approval of the state's 94-142 plan. The state NEA affiliate, one of the most powerful interest groups in the state, supported the governor's reelection and is pleased that he has signed most of the legislation designed to benefit its constituents (e.g., reduction-in-force procedures and early retirement provisions). In sum, the governor and his staff are aware of major education policy issues in State C and play at least a peripheral role in many of them, but education is not a top priority.

The Role of the Legislature

Like the governorship, which regularly alternates between Democrats and Republicans, the political party system in the State C legislature is very strong. Presently, the Democrats hold a one-vote majority in both houses. The Citizens Conference on State Legislatures has ranked the State C legislature among the most professional in the country. It has a permanent, professional staff and good public and media access.

The legislature's interest in education is channeled through an adjunct body originally established after World War II as a temporary group to advise the legislature. Prior to the constitutional reorganization of State C's education governance structure in the 1970s, this organization was considered the most powerful in school politics. In addition to the CSSO and the state budget director, it consists of an equal number of members appointed by the governor and by both houses of the legislature. The governor's appointees include representatives of the most influential education interest groups, and the legislature appoints those of its members who are acknowledged experts and leaders in education policy. Although this group has no formal powers and is only advisory, most of its recommendations have been incorporated into law.

In the mid-1970s, State C ratified a new constitution that changed the CSSO from an elective to an appointive position and established a state board of education for the first time. Although the legislative advisory group was involved in this restructuring of education governance, the change has generated tension between the legislature and the SEA ever since. The issue may be broader than a mere need to delineate responsibilities more clearly. Unlike the legislature, the SBE is nonpartisan; by its very nature the SBE is designed to act independently of the political party system. While such a posture has obvious advantages, it also means that the Board cannot always work effectively with the legislature because of that body's very different assumptions about how decisions should be made. Consequently, a major issue facing both the legislature and the SBE is whether the SBE can operate effectively in a political culture and with a legislature that places such a high premium on partisan bargaining and compromise.

The major education policy issues presently before the legislature relate to education funding. The legislature has consistently increased state education funding over the governor's recommended levels. The legislature is also considering changes in the school aid formula to offset the disequalizing effects of categorical programs and state transportation aid. Since the legislature is sensitive to the effect of unfunded mandates on local school districts, it is moving to minimize such requirements in the future. Despite this concern, however, several legislators take an active interest in the state's handicapped and bilingual education programs. These legislators were instrumental in the passage of state special education legislation in 1965. The state also sponsors its own bilingual program, which provides almost four times more funding to State C than the federal Title VII program does.

The State C legislature reappropriates all federal funds coming into the state, but few respondents view this as a problem. Legislative concern about federal funds relates primarily to 94-142, which members view as an unfunded federal mandate that has imposed an unfair burden on the states. Still, more than 25 percent of the new funding the legislature approved for education over the past three years has been allocated to special education.

Although its interest in education is primarily fiscal, the State C legislature also plays a fairly active role in program substance and hence compensates for the governor's lack of interest in education policy. In its support of state programs that serve students similar to those served by federal funds, the legislature gives federal programs for special needs students more legitimacy in State C and thus aids in their implementation. At the same time, the legislature not only constrains the SBE and SEA by its actions (e.g., its legislation to minimize state mandates), but it also places them at a distinct disadvantage in their dealings with such a partisan body.

Education Interest Groups

The most influential education interest group is the NEA affiliate. This organization is the largest contributor to state political campaigns and supports candidates from both parties. Several legislators belong to the group and one recently ran for president of it. The AFT affiliate is not as strong politically at the state level, but it still wields considerable influence because it represents teachers in the state's largest cities. Nevertheless, State C does not have a state collective bargaining law. Although 85 percent of the state's teachers are covered by local collective bargaining contracts, the strength of the political patronage system and the conservatism of rural legislators have prevented enactment of collective bargaining legislation. For this reason, teacher organization political action is critical. Through state legislation, organized teachers have been able to obtain such items as reduction-in-force procedures and teacher dismissal rights that would normally be covered in local contracts.

The most influential client groups are those representing the handicapped. The president of a recently formed state-level umbrella organization was appointed by the governor to the legislative advisory group and also serves on the SEA's special education advisory council. There is no statewide organization representing compensatory education. However, some civil rights groups lobby on behalf of this constituency. Other professional groups like those representing administrators and local school boards have access to the legislature, but are generally less influential in legislative matters than the teacher organizations. Groups representing other special programs, such as vocational education and guidance and counseling, exert some influence over these programs, but are less visible than groups representing handicapped education.

State Political Culture

State C's political culture is dominated by a highly competitive political party system and a strong predilection for local control. Most observers characterize politics in State C as "tough" and party patronage is a fact of life. Such a system is particularly vulnerable to corruption and necessitates that various political interests work through the two political parties. However, it also ensures that decisions are made quickly and, to some extent, that electoral accountability is greater than in state governments with weaker political parties.

The SBE and SEA are nonpartisan institutions in a distinctly partisan setting. On the other hand, this means that the agency now has a better-qualified and more professional staff than it did when the CSSO was an elective position with patronage privileges. At the same time, its lack of partisanship means the SBE and SEA often need to depend on the lobbying activities of education interest groups and pro-education legislators. Although the SBE and the SEA can take a policy stance apart from these groups, it is difficult to promote the SEA's position in the absence of a readily identifiable constituency and an independent source of influence.

Local control in State C means that once the fruits of state-level political compromise reach local jurisdictions, the state has little to say about how funds are spent and service decisions made. It also means that local governmental units, particularly school districts, are small and inefficient. The SEA has attempted with little success to persuade the legislature to establish a system of intermediate units that exemplify both the state's strong sense of local control and its reliance on political patronage.

Because of the political strength of State C's cities, the state funds a number of programs designed to help special needs students, particularly in urban areas. These include the state compensatory education program, one for limited-English-speaking students, and a program for school drop-outs.

Clearly, State C's political culture constrains the SEA. Not only does it make the agency less politically effective at the state level, but it also defines the SEA's relationship with local districts. The state's strong penchant for local control means that the SEA cannot be highly prescriptive or regulatory in its dealings with school districts, but instead must rely on a strong technical assistance role to improve local services.

Public Sector Resources

State C is in reasonably good fiscal condition, with a current surplus equivalent to about 5 percent of its 1980 general fund expenditures. However, the largest school system in the state has teetered on the verge of bankruptcy for several years and the city's other municipal services now face the same fate. The state is now keeping a close watch on other cities to see that they stay fiscally sound. While most remain on a solid footing, one other city faces similar financial troubles in the near future.

Although the new state constitution requires that the state bear at least half the cost of public elementary and secondary education, it presently pays only about 45 percent of the bill. (This represents a significant increase since the 1960s, when the state paid only 25 percent of the total cost.) Education expenditures consume about one-fifth of the total state budget and respondents uniformly predicted that education's share will remain stable throughout the 1980s. There is also no indication that the state will have to reduce its commitment to categorical programs. Although the legislature is less willing to reduce districts' funding below their previous year's level, the message is clear: There will be no money for new programs, and at best, education in State C faces a period of stable funding.

The State Department of Education

State C's medium-sized SEA has undergone substantial change since the mid-1970s, when a constitutional amendment replaced the elected CSSO with an appointed CSSO and established a nonpartisan Board of Education. Prior to these changes, the SEA was largely staffed through patronage, much like the rest of state government. It played a weak regulatory role in the state's education system. New leadership reorganized the agency and replaced key administrative staff in an effort to redefine the SEA role to emphasize technical assistance and support to LEAs. This policy reflected administrative taste as well as the state's strong local control ethos. The SEA has invested considerable energy in establishing a regionally based structure to provide assistance. However, federal program management continues essentially in the regulatory, strictly categorical manner of the past. The SEA's role in the state remains relatively weak, although its level of interaction with LEAs has increased markedly. However, lack of legislative support for an active SEA, together with fiscal retrenchment, makes the continued development of State C's SEA uncertain.

SEA Structure. State C operates with an explicitly categorical structure. Of the 10 assistant superintendents, only 2 have cross-cutting responsibilities. Federal programs operate under three Assistant Superintendents: Vocational Education, Special Education, and Federal and State Grants. Despite this categorical isolation of federal programs, the State C SEA exhibits a moderate amount of coordination among state and federal programs. The Deputy Superintendent, who is responsible for all day-to-day operations within the agency, has initiated several measures to coordinate categorical activities within the agency. First, with the exception of Special and Vocational Education, all federal programs were brought together in one division with the hope of promoting coordination. Thus far, this has not occurred to an appreciable extent.

The Deputy Superintendent also established two councils to coordinate state and federal activities, a Federal Programs Coordinating Council and a Data Coordination Council. The former reviews program plans for all federal programs and grant applications by SEA staff to ensure consistency with SBE priorities and across program efforts. However, because State C's SBE priorities are multiple and vaguely stated, this review serves no effective coordinating purpose. The Data Coordinating Council serves primarily to reduce redundant data-collection efforts, not to integrate these activities.

The Deputy Superintendent has also worked to establish a decentralized assistance structure. Where it exists, substantive coordination of federal projects with each other or with the general curriculum takes place in the field. Five regional LEA Services Teams have been established, composed of 11 to 16 members. The teams report to the Assistant Superintendent for LEA Services. Team members have a generalist orientation and are located in the regions they serve. They are on call to LEAs to furnish information, assist in preparing federal applications, provide inservice education, and, when state or federal program monitoring visits occur, to serve as LEA advocates. The teams are funded through ESEA Titles I and IV, and 94-142.

The teams bring coordination through their "brokering" of SEA-level resources, assistance to developing local projects, and inservice education. The SEA administrator responsible for the Service Teams explicitly takes a "whole LEA" view of Service Team operations. This perspective, enforced through extensive staff training in process skills and the generalist composition of the team, brings a measure of coordination to special project management that does not exist at the state level. However, Service Team members receive little or no active encouragement from SEA federal program managers in their efforts to coordinate LEA activities and must await LEA requests for assistance in this area.

SEA Role. Traditionally, State C's SEA has not played a strong role in local school districts. Although there have been attempts to strengthen that role through constitutional amendments and the efforts of top agency leadership, these initiatives have not significantly strengthened the SEA's position in the education policy system. The seat of education policymaking remains in the legislature, where a strong SEA role conflicts with politically popular notions of local autonomy. The recent reformulation of the SEA role—from an exclusive emphasis on regulation to a focus on technical assistance—centered on state initiatives, not federal programs. Thus, the SEA remains essentially regulatory in its federal program administration.

SEA Priorities. State C's responsibilities and priorities have been defined primarily in terms of general education and do not explicitly acknowledge special needs students. However, the SBE's state goals are extremely general, too numerous to support focused action, and are neither translated into SEA directives nor tied to the budget review process. Indeed, SEA respondents and agency observers concur that the SEA's greatest weakness is its absence of goals and lack of vision: "This [SEA] is not goal directed . . . it is not product-oriented. We don't even have expected goals so there is no meaning to success or failure." However, administrative priorities are clearly defined by the development and support of the LEA Service Teams as the keystone of the SEA's assistance strategy.

SEA Capacity. State C's capacity is uneven, still developing, and highly constrained by the larger political culture. Well-trained and committed staff were attracted to the agency by the aggressive, nationally prominent former CSSO and the concomitant demise of the patronage employment system. However, fiscal stringency combined with legislative resistance to a strong SEA has prevented the SEA from adding substantial new staff. Instead, the SEA has deployed staff differently, with an eye to developing strong intermediate unit structures. The LEA Service Teams are a central component of this strategy. However, the SEA's definition of federal program responsibilities as monitoring and oversight has meant that federal program managers have been reluctant to release staff to assistance activities. This posture, together with the unwillingness of the legislature to fund more SEA positions, led a top-level administrator to comment: "Over three-fourths of the agency's staff define their jobs in terms of mandates. This supports non-thinking."

The agency's rationality is as yet underdeveloped. Although the structures to enhance this SEA capacity are now in place and competently staffed—with a research unit, evaluation unit, planning and policy analysis unit, and a separate department for data management —organizational routines for using this information and analysis do not yet exist. As one official put it, "At this time, planning in the SEA now equals planning for planning for planning." Further, according to evaluation unit staff, federal program managers have little interest in evaluation beyond meeting mandates and filing reports on time: "We could go away tomorrow and no one would notice."

The State C SEA, in short, is a developing agency facing uncertain support from broader state government. Although the SEA will likely continue to define its role in terms of assistance, the future strength of that role is unclear.

STATE D

State D is a medium-sized state with most of its population concentrated in a single corridor of small cities. The remainder of the state is rural and sparsely populated. Of the four states in our sample, local control is strongest in State D and until quite recently, the state had only limited responsibility for financing education. It still does not play a major role in education policy.

State D's residents value learning and are relatively well educated. Its illiteracy rate is one-half the national average, and two-thirds of the state's high school graduates go directly to postsecondary institutions, as compared with a 57 percent national average. Yet State D's educational system now faces severe problems because of a major downturn in the state's economy. It is still too early to determine how well the state will weather this crisis, but State D's tradition of strong local control and a weak state role mean that the leadership needed to manage fiscal retrenchment is lacking.

Public elementary and secondary enrollment in State D totals slightly less than 500,000 students. Its state and local revenues as a proportion of personal income place State D above the national mean. In its average per pupil expenditures, State D ranks among the 15 highest-spending states.[6]

The Governor's Role

State D voters tend to support moderate to conservative candidates, regardless of party affiliation. Consequently, the governorship has regularly alternated between Democrats and Republicans. The present governor is a Republican and former legislator.

While in the legislature, the governor served on the education committee, but his interest in education has always been fiscal rather than substantive. In fact, an SBE member recalls him saying, "I wasn't elected [to the legislature] to help education, but to save the taxpayers' money." The governor's major policy interest is energy, but recently his primary concern has been the state budget. Two years ago the state accumulated a surplus, equal to about eight percent of its general fund expenditures for that biennium. The legislature used the surplus to initiate a major tax relief program. However, less than a year later, the state's major industry suffered a severe downturn. Unemployment increased, with its attendant public sector costs, and tax revenues fell precipitously. As a result, the state found itself with a shortfall almost equal to the surplus it had already spent on tax relief.

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[6] Education Commission of the States.

The governor is not actively involved in federal program implementation. However, he has joined with other governors in calling for an end to federal categorical funding and the development of block grants. His argument in favor of this change is the traditional one: State D is in a better position than the federal government to identify its needs and how best to meet them.

Needless to say, the state's fiscal problems and the governor's actions to alleviate them severely constrain the SEA. Not only has the governor recommended proportionally less funding for local districts, but the SEA is also likely to lose 10 to 15 percent of its agency budget.

The Role of the Legislature

The State D legislature is among the most amateur in the country. It meets for approximately six months every two years and has little independent staff capacity. Most of the staff available to the legislature work for the fiscal committees, but even these committees lack the ability to collect and analyze data independently of the state executive agencies.

For education policy, the legislature has another resource in addition to its own staff. In their efforts to obtain better information, the finance committees created an independent organization with separate staff resources. This planning organization is very controversial. Past governors have relied on it heavily, but the present governor opposed the organization's creation when he served in the legislature and does not use its services now.

As late as the end of World War II, the state provided *no* funds to support public education; and until a few years ago, the state provided only about one-quarter of the total cost. The state contribution is now up to 37.5 percent, but it is likely to fall to about one-third if the governor's budget is approved by the legislature. Given this recent and still relatively limited state role, it is not surprising that the legislature's concern about education is also limited and primarily fiscal.

At the same time, because of organized teacher influence in electoral politics, the State D legislature includes one of the largest concentrations of classroom teachers to be found in any legislature in the country. These teacher-legislators control powerful positions, including leadership of the upper house and the chairmanship of several finance committees. As a result, elementary and secondary education does well compared with other social services. Still, State D remains one of the few states in the country without a mandatory kindergarten law because supporters cannot obtain sufficient votes for passage.

State D also has few state categorical programs. Its compensatory education program is basically a density bonus to the state's largest city. It was established by the legislature as a side payment to the city for accepting a school finance formula that penalizes high-property-wealth areas like the city. The state has a small gifted and talented program established largely through the efforts of two influential legislators and a small group of suburban parents. Although State D now funds a full complement of handicapped education services, it has lagged behind other states in services for the severely handicapped. Unlike many states that established workshops and training programs for the mentally retarded in the 1950s, State D did not initiate such programs until 1971. Even today, programs for the trainable mentally retarded (TMR) are administered by the state health department instead of by the SEA.

Relations between the SEA and the legislature have not been productive. State D's CSSO is elected, but his constituency is primarily limited to local school personnel. Even his supporters characterize him as a "middle of the road" person who ran vowing to be a non-activist CSSO. The CSSO has not been forceful in defending the agency's budget or its mission before the legislature. The SEA also does not present a unified position to the legislature. Program directors think of particular programs as their personal turf, rather than as agency-wide endeavors. Since the SBE is appointed by the governor, it is not in a good position to oppose his budget recommendations. Therefore, there is no effective voice speaking on behalf of education funding generally. Instead, the size of the overall education budget and the continuation of specific programs depend on sympathetic legislators and the balance of influence among education interest groups.

State D's legislature is among the most active in its oversight of federal funds. Every biennium, the legislature approves a ceiling for each state agency; if the agency plans to exceed that ceiling, regardless of the funding source, it must seek approval from an interim legislative committee.

The legislature is generally critical of federal aid. Part of this feeling stems from its opposition to the notion of categorical funding and its preference for general aid to localities from both the state and federal governments. Some legislators also feel that the federal government is now determining state priorities.

The legislature's role in education policy is somewhat ironic, then. Because it has a large number of classroom teachers as members, there is legislative interest and expertise in education. But since the legislature meets so infrequently, its attention is necessarily consumed with reviewing the state budget. As a result, the legislature only compounds the governor's lack of interest in education.

Education Interest Groups

The NEA affiliate is the largest political action group in State D, contributing approximately three times more to statewide political campaigns than any other organization. The payoff for this political support has been the election of quite a few sympathetic legislators. State D has a strong collective bargaining law, and organized teachers' influence on the labor committee ensures that this law will not be seriously weakened.

The school administrators' organization is less influential than the teachers' association, but is still listened to by the legislature. Because the school boards association is split internally, most legislators tend to listen to their own local boards, rather than to the association as a whole. However, when members of the school boards association take a unified position, they are quite influential.

Even the best-organized client groups are less influential in State D than in the other states in our sample. Although groups representing the handicapped, such as the ARC, lobby the legislature, much of the advocacy on behalf of the handicapped is done by a federally funded public interest law firm. This has occurred because few resources are available to inform parents of their rights and to organize them into the network of local chapters that have been so successful in other states.

State D's minority and bilingual populations reside primarily in the state's largest city. Consequently, groups representing these constituencies have concentrated their efforts at the local level and have been successful in changing the composition of the school board there. At the state level, however, these groups are neither very active nor visible.

State Political Culture

State D's political culture is characterized by three major factors relevant to education policy: a vigorous reform tradition, a strong sense of local control, and continued public support for education. State D's reform tradition has meant that it has weaker political leadership than other states with a strong party system and less direct voter participation. On the other hand, State D has avoided the political machines and related corruption that can flourish in states with a weaker reform tradition.

Local control is consistent with State D's reform tradition and is manifested in a number of ways. Because voters must approve school budgets each year, they have significant control over the kind of education services delivered to students. Many of the local jurisdictions in State D are small; the state has over 300 school districts, with many of the smallest enrolling fewer than 100 students (some enroll as few as ten to twenty). These small units partly reflect the state's rural character, but even in the most urbanized corridor, districts are small because local control is so highly valued. In education, weak state government is consistent with the state's political culture. The public in State D does not see education as a state responsibility. State funding of education is simply a form of local property tax relief; it does not entitle the state to engage in designing and implementing education programs. In sum, there is little support for a strong or visible state presence in education.

At the same time, State D residents place a high priority on education and are willing to support it. For the most part, voters approve annual school budgets even to the exclusion of other public services. Presently, about one-half of all local revenues are used for public education.

Clearly, State D's political culture severely constrains the SEA, but it also works against federal program implementation. State D residents are very law-abiding, so there is no question about complying with federal regulations; but the state is geographically distant from Washington and there is considerable suspicion about federal intentions. Federal funding is viewed as temporary and federal regulations as insensitive to State D's needs and problems.

Public Sector Resources

Not only is State D facing severe fiscal problems, but they came quickly and unexpectedly. Since no one knows yet whether the problems will be temporary or chronic, state administrative agencies have not begun to change their organizational structure or their approach to delivering services.

State and local revenues are primarily derived from income and property taxes since there is no sales tax in State D. Observers predict that, despite its fiscal problems, State D is unlikely to initiate a sales tax for at least the next ten years because no political support exists for it. However, there is now some feeling that the legislature may have gone too far in its reduction of property and income taxes. Consequently, it may decide to reinstate the lower personal exemption that had been raised as part of the legislature's income tax relief package.

An obvious effect of the decrease in state education aid is an increase in local district costs. Under State D's tax levy system, however, the electorate must vote on two separate ballot measures: one for the basic school budget, and one for funds additional to last year's local base plus inflation. Traditionally, the latter budget was used for new programs and district expansion, but must now include funds to compensate for the loss of state aid. Voters are less likely to approve this ballot because the resulting taxes are exempt from property tax relief and because it is viewed as an expansion, rather than a maintenance budget. The situation is exacerbated by the loss of federal revenue sharing funds, the bulk of which were used for education. Consequently, the state's bleak fiscal picture is likely to be mirrored in local districts with little new revenue to compensate for the losses.

State Department of Education

The small State D SEA has never been a power in public education and the present CSSO, who campaigned on a platform of "no new programs," has no intention of changing matters. Nor, in this state where the legislature sees state aid to local districts as a form of property tax relief, will the legislature support a stronger SEA. Although the SEA officially defines its role in terms of support for local practices, in reality the State D SEA role has been primarily regulatory. In the absence of staff with either the expertise or the charge to provide technical assistance, State D SEA staff focus on carrying out their state-mandated and federally mandated responsibilities: school standards visits, program audits, and project monitoring. No central goals or missions guide this SEA's activities; institutional rationality is essentially nonexistent in the SEA, which has no regular channels of information from LEAs to guide decisions, and no evaluation, planning, or analytical capability. Pending budget cuts likely will reduce State D's SEA capacity even further.

SEA Structure. State D's SEA operates with a functional structure administered by five associate superintendents. All state and federal elementary and secondary education activities, with the exception of Special Education, are located under the Associate Superintendent for Instructional Services. The SEA is small—approximately 250 staff—with few specialized units or staff, and a minimum of managers and administrators. Despite its small size and functional structure, however, this SEA shows the *least* amount of coordination of all the states in our sample, with federal programs managed in isolation from one another and from other SEA activities.

The only formal device to promote coordination across the agency is the CSSO's Council, composed of the Chief and his five associate superintendents. Their twice-monthly meetings focus on administrative detail, however, and seldom involve discussion of substantive departmental activities or goals. Nor does the Council serve a dissemination function; there is no charge to participants to carry information back to their divisions. The Center for Program Coordination, located in the Instructional Services Division, is a second strategy initiated by an associate superintendent hoping to promote coordination. For the present, however, the Center's primary function is to administer the Title IV-C program; coordination efforts have been unsuccessful. There is little incentive to coordinate activities since associate superintendents must appear before the legislature to defend the programs and expenditures attached to their division. Consequently, in the absence of CSSO support for coordination, they tend to see these funds as "theirs" and are not interested in contributing to a common fund to support Center for Program Coordination activities.

SEA Role. The state's strong local control ethos, combined with its late entry into public education finance, has kept the SEA a weak actor in the education policy system, and fiscal retrenchment has virtually extinguished the SEA's technical assistance capacity. As a result, the SEA has become even more passive. As one SEA administrator put it, "The role of this SEA is seen more and more as a conduit of federal funds to local agencies."

SEA Priorities. State D is anomalous; it has neither a substantial special needs population corresponding to federal categories nor priorities that guide SEA policies and practices. Neither the SBE nor SEA planning documents show any clear state-level goals or purposive plans. As one staff member, commenting on the agency's lack of direction, said, "Nobody knows what picture they're supposed to fit into. It's like a jigsaw puzzle in which nobody can see the picture on the box."

SEA Capacity. Consistent with its weak role, State D's SEA has never had a well-developed organizational capacity nor, with a few exceptions, has it been able to attract well-trained, ambitious staff. Given the absence of leadership opportunities, few educators from the state's metropolitan area have been willing to take the salary reduction associated with a move to the SEA. Fiscal retrenchment has reduced capacity even further. Staff positions have been frozen and staff travel restricted. As a result, federal program activities dominate the SEA. For example, the agency's reduced basic education staff is unable to provide technical assistance to either state or federal programs, all their time being required to carry out mandated state standardization visits. One administrator commented on the perversity of the fact that "Federal money has now become the only 'hard' money in the agency."

State D has a well-established intermediate unit structure that could assist SEA staff in federal program implementation efforts and effectively multiply the diminishing SEA capacity. There are approximately 30 Regional Service Districts throughout the state. Funded almost totally by local property taxes, these districts provide technical assistance, facilities, purchasing, materials, special education courses, and resource personnel. They also serve as fiscal agents for federal programs operating in member LEAs. The state has no legal or formal responsibility for these regional units. Nor, consistent with the state's strong local control philosophy, has the SEA ever attempted to establish regular communication with them. Links between the SEA and the Regional Service Districts therefore are minimal; they have not been utilized to deliver SEA services or implement state priorities as they have been in States B and C.

State D has effectively no planning and analytical capacity. There is only one trained evaluation person on staff; he divides his time between mandated Title I and Title IV evaluations. These reports, he readily admits, "are never used by anyone in the agency." Until this year, mandated 94-142 monitoring was contracted out to graduate students in a nearby university. The effect of this general absence of SEA capacity is that the SEA has little influence on local implementation of federal programs. In State D, local factors determine federal program outcomes.

These four state profiles illustrate how widely states vary in their approach to program implementation and the extent to which factors in the larger state environment, such as political culture, can constrain SEA actions. The next chapter takes a comparative perspective and uses these descriptive data to explain how the variables in our analytical framework interact to shape the range of state approaches to program implementation.

Chapter 3

EXPLAINING THE STATE ROLE

By comparing the four states profiled in Chap. 2, we can begin to understand the relationship between state political factors and SEA characteristics and, ultimately, their joint effect on state and federal program implementation. This chapter uses the framework outlined in Chap. 1 and the data presented in Chap. 2 (summarized in Tables 3.1 and 3.2) to explore these relationships.

THE ROLE OF GENERAL GOVERNMENT

Except for the governor of State B, gubernatorial and legislative involvement in education in our four sample states is only moderate and primarily fiscal in nature. Yet even at this level, general government strongly determines what SEAs do and the resources they command. For example, competency testing was placed on the SBE/SEA agenda in State A, and teacher standards on State B's agenda, largely because the legislatures there showed an active interest in these issues.

SEAs are greatly influenced by general government not only in selecting short-term priorities, but also in defining their roles and in building organizational capacity. The most obvious reason for this relationship is general government's control over SEA budgets. But the issue is more complex than simply one of money. In the autonomy and resources it accords an SEA, general government is both responding to state political culture and acting on its own view of the SEA's competence and usefulness to local districts. SEA stature in States A and B as compared with that in C and D is largely due to differing political cultures. But it also results from the ability of the SBE and CSSO in State A and the CSSO in State B to work effectively with general government and to convince them that an active SEA role is both appropriate and possible. Although the political cultures of States A and B have traditionally sanctioned an active state role, there have been times in both states when the SEA did not function in this way (for State A, in the final year of the former CSSO's tenure and in State B, until about seven years ago). In both these states, general government constrained the SEA until it was convinced that the agency possessed the leadership necessary to play a strong role.[1]

Perhaps the best example of how general government constrains SEAs is in the area of federal program implementation. SEAs have far less incentive and, in effect, latitude to play an active role in federal program implementation because of general government's lack of support for federal program goals. To the extent that SEAs in our sample go beyond a minimal compliance response in federal program implementation, they do so either by using federal regulations as justification or by subordinating federal programs to state priorities.

Even in states where education enjoys the active support of general government, this support does not extend to federal programs for special needs students. In fact, we found that support for the goals and activities funded by federal education programs is minimal outside of SEAs. Governors and legislators are generally opposed to categorical funding, and except for handicapped education groups, those representing special needs students command little visibility or political influence. Even in states like A, C, and D, with their own programs for special needs students, general government officials take the position either that federal goals should be subordinated to the state's, or where this is not possible, that federal programs should operate at the periphery of the state's general education system. In other words, while state commitment to special needs students has grown, this change has not translated into general government support for federal categorical programs. The reason is not only opposition to federal categorical requirements and a preference for block grants, but also a rather pervasive attitude on the part of general government about how special needs students should be served. Even in a state like A, with large numbers of such students and a strong state commitment to helping them, the governor and state legislature believe that these programs should be subordinated to more general goals, such as increased competency in basic skills for all students. In effect, many governors and legislators subscribe to a trickle-down theory that argues all students will be better off if overall educational quality is improved. This lack of support for federal program goals also reflects the reality of state politics: Politicians win and lose elections not on

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[1] A recent survey of 30 states and their efforts to improve local educational quality found that in a majority of states where the SEA changed to a more active role, the impetus for such a change came not from the educational system, but from general government. The author concluded that "whether legislative or gubernatorial in nature, increased general government interest in education has been directly associated with increased SEA activity, responsibility, and typically, support." Milbrey W. McLaughlin, *State Involvement in Local Educational Quality Issues*, The Rand Corporation, forthcoming.

Table 3.1

STATE POLITICAL CONTEXT

State A	State B	State C	State D
General Characteristics			
Populous, both rural and urban. Competitive two-party system. K-12 enrollment about 3 million. Average per pupil expenditure among highest in country.	Heavily blue-collar, low per capita income. Traditionally Democratic, with Republicans gaining strength. K-12 enrollment about 1 million. Average per pupil expenditure well below national mean.	Populous, strong urban-rural cleavage. Competitive two-party system and widespread political patronage. K-12 enrollment about 2 million. Average per pupil expenditure among ten highest in country.	Except for one urban corridor, most of state rural and sparsely populated. Competitive two-party system, though non-partisanship stressed. K-12 enrollment about 500,000. Average per pupil expenditure among fifteen highest in country.
Governor's Role in Education Policy			
Largely fiscal.	Very active, substantive interest. Education keystone of governor's political agenda and tied to state economic development. Personally initiated several new programs.	Low priority, plays only a peripheral role.	Largely fiscal.
Role of the Legislature			
Primarily fiscal. Some interest in substantive issues like competency testing. Major influence through appointments to SBE.	Primarily fiscal, though strong oversight and concern about teacher quality and productivity. Otherwise, defer to governor and CSSO.	Primarily fiscal, but also active substantive involvement through adjunct advisory body with legislators as members.	Primarily fiscal. Despite large number of teachers in legislature, little leadership in education policy because one of the most amateur legislatures in country.

Education Interest Groups			
AFT affiliate the most influential group. Special education organizations the strongest and most active client groups.	Teachers' association most influential group. Special education organizations have relatively more influence than other client groups.	NEA affiliate most influential and active politically. Those representing the handicapped most influential client groups.	NEA affiliate largest political action group in state. All client groups quite weak.
State Political Culture			
Long tradition of strong state control over localities. Politically progressive with high commitment to social equity. Strong public support for education, though now declining.	Weak local control norms. Populist tradition, but little commitment to racial and economic equity. Strong public support for education.	Very strong local control norms. Some state commitment to special needs students, but greatly shaped by partisan concerns.	Strong sense of local control and vigorous reform tradition. Continued public support for education, but relatively little for special needs programs.
Public Sector Resources			
State pays 39% of K-12 costs, using 40% of state budget. State share declined, but constant for last five years. Faced fiscal crisis over five years ago, so coping mechanisms in place.	State pays 65% of K-12 costs, using 40% of state budget. Low tax state, facing some fiscal retrenchment. Education relatively less vulnerable because of strong political support.	State pays 45% of K-12 costs, using 25% of state budget. Some fiscal retrenchment with education facing a period of stable funding.	State pays for 37.5% of K-12 costs, but proportion likely to fall to 34%. Very severe fiscal retrenchment because of major recession in state's largest industry and large tax cut.

Table 3.2

SEA CHARACTERISTICS

Characteristic	State A	State B	State C	State D
CSSO	Appointed; strong	Elected; strong	Appointed; strong within SEA; weak outside SEA	Elected; weak
SBE	Appointed by legislature; strong	Appointed by governor; weak	Appointed by governor; weak	Appointed by governor; weak
Approximate staff	2400	750	500	250
Organizational structure	Functional	Mixed	Categorical	Functional
Level of internal coordination	High	Moderate	Moderate	Low
View toward federal funds	Central to SEA activities and state goals	Ancillary to SEA	Mixed--some ancillary, some central	Ancillary to SEA
Role vis-a-vis LEAs	Active; primarily regulatory	Active; primarily assistance	Moderately active; primarily assistance	Passive; primarily regulatory
Priorities	Increase local educational quality	Increase general educational quality	Establish intermediate structure	None
Capacity	High	Moderate, increasing	Moderate, increasing	Low, decreasing
Intermediate units	Yes; independent with limited SEA control	Yes; regional extensions of SEA	Yes; regional extension of SEA; multiple intermediate units in state	Yes; independent of SEA

how well special needs students are served, but on how well the state's primary responsibility for general education is met.

Up to this point, we have analyzed the effect of general government's typical involvement in state education policy. But what about someone like the governor of State B? Why, unlike the majority of his colleagues, does he play such an active role in education policy and with what effect?

We hypothesized in Chap. 1 that state legislators and governors decide on their degree of involvement in education largely according to their long-term political interests. The governors of States B and C provide contrasting examples in this regard. Both are politically ambitious and would like some day to run for president. But the governor of State C had decided it is prudent to avoid educational issues; a member of his staff acts as a liaison with the SEA and sees to it that the governor's involvement in education is minimal and pro forma. The governor of State B, on the other hand, wants to be known as an "education governor" and to use this designation in a bid for higher office; by basing his support for education on the state's traditionally low level of educational quality and its negative effect on economic development, he has rendered his involvement in education politically appealing. Obviously, these two men have a differing degree of interest in education as a policy issue. But more importantly, they perceive the political payoff from such involvement quite differently.

Which of these two strategies general government in other states will follow remains an open question. Certainly in a time of fiscal retrenchment, when new programs and increased spending for education are unlikely, the political payoffs from a concern about public education are far less than they were in earlier periods of public sector growth. At the same time, present economic conditions make it imperative for some states to maintain their industrial bases and attract new firms to their area. For this reason, State B's strategy may become more appealing to general government.[2]

Certainly, the experience of State B suggests that active general government involvement in education produces positive results, particularly when the governor of a state takes an active interest. Public education is made more visible; the SEA has a powerful ally in its requests for increased appropriations; and morale among state and local educators rises because the governor's active support transmits a message that their work is recognized as worthwhile. At the same time, when a governor or group of legislators takes an active and substantive interest in education policy, the SEA often pays at least a modest price. For example, as in State B, the SEA may have less flexibility in program implementation because general government officials pay more attention to program details and have definite ideas about how services should be delivered. Still, these costs are usually small compared with the benefits gained from having elected officials actively concerned about public education.

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[2] A number of governors gave education greater prominence in their "state of the state" messages this year, and several linked improved educational quality with the need to attract high-technology industry to their states. Georganne O'Connor, "The State of the States: Governors Talk about Education in Their Annual Messages," *Education Times*, February 1, 1982, p. 5.

THE ROLE OF INTEREST GROUPS

In our four sample states, classroom teachers emerge as the preeminent professional organization, and groups representing handicapped education as the most influential client organizations. Organized teachers derive their influence from financial support of legislative and executive branch candidates and from their sophisticated lobbying operations. Handicapped education groups such as the Association for Retarded Citizens and the Association for Children with Learning Disabilities are well organized and usually include a network of local chapters that extends into most school districts. Legislators hear directly from local constituents, and these groups are viewed as grass-roots organizations expressing legitimate parental and student concerns. The fact that handicapping conditions also cut across social class and racial lines further enhances these groups' access.

Handicapped education contrasts with Title I and other compensatory education interests that lack visible and organized political support. Except for those in the largest urban districts, there are virtually no client groups working on behalf of Title I and compensatory education at the state and local levels. Those speaking for Title I are professional educators, not parents or citizen groups. Given that Title I serves students from poor, largely unorganized constituencies, this finding is not surprising. Title I, in contrast with 94-142, is an example of a program that has been sustained by the concern and actions of professionals working from the top of the system, rather than through grass-roots efforts.

This lack of state-level support for compensatory education was not critical as long as Washington-based groups were successful in maintaining federal funding levels and program targeting requirements. Now that the federal government's commitment to poor students is declining, however, this lack of political support in state capitals will seriously affect the level of services available to such students. Not only are there no new advocates stepping forward to persuade the states to fill the funding gap left by the federal government, but also compensatory education's traditional allies may pay less attention to this issue than in the past. For example, organized teachers supported compensatory education because it increased the demand for teachers and provided additional classroom resources to their members. But in a time of no-growth budgets, greater state spending for compensatory education could very well jeopardize salary increases and job security for the majority of teachers who teach in the general education program. Consequently, it may no longer be in the interest of organized teachers to support compensatory education.

Our examination of these four states, then, indicates the importance of state-level interest groups in shaping education policy, especially fiscal decisions about how much will be spent and for what. To be successful, interest groups need not spend a great deal of money, as many of the teacher organizations do, but they must be well organized and visible, and represent a large, broad-based constituency. Precisely now that they need such resources the most compensatory education interests are the least likely to possess them, and consequently stand to lose the most from a reduced federal role.

STATE POLITICAL CULTURE

Despite its lack of precision as an analytical concept, we found in all four states that we could identify those elements of the political culture that influence the state role in education policy. Emerging from our interviews with state policymakers and administrators was a consistent picture of the limits on these officials' actions and their sense of what they can and cannot do. In describing such limits, state officials were, consciously or unconsciously, describing the state political culture in which they operate.

The element of political culture that most affects state policymaking is the strength of local control norms. Both the role SEAs play in state education policy and their capacity to assist local districts largely depend on the support they receive from general government and whether the political culture sanctions an active presence in local jurisdictions. This finding suggests that state political culture, in effect, preordains SEA roles and that SEAs in states with a strong local control ethos will always play a less active role and have less capacity than their counterparts in states where a strong central government is seen as legitimate. To some extent, this conclusion is valid. The SEA role needs to be consistent with the larger political culture, and SEA capacity depends on the resources available to state government generally. While a political culture that supports strong state government does not automatically ensure a strong SEA, it at least provides the necessary conditions for SEA leadership to use in building a strong agency. On the other hand, SEAs in states with a strong local control tradition will always play a more limited role, regardless of the competence of their leaders.

However, State C's SEA provides an example of what an SEA can do, at least at the margin, to strengthen its role. SEA leadership recognized that despite the state's strong local control ethos, school districts, particularly smaller, rural ones, needed additional assistance. Consequently, the SEA has been able to expand its role by providing such assistance on a regional basis. This strategy does not compromise local autonomy the way a more regulatory approach would. By offering a service LEAs need and want, the SEA has expanded its presence in local districts, despite a political culture that would ordinarily constrain such actions. In other words, our study indicates that while political culture strongly constrains an SEA's actions, it does not dictate them. State D cannot become State A with its strong regulatory focus, but with adept leadership, State D could become more like State C.

Citizen support for public education is another aspect of political culture that has obvious implications for SEA behavior, particularly in a time of fiscal retrenchment. In states where such support is strong, education is much more likely to maintain its relative share as public sector budgets contract. Even though public support is diffuse and does not directly translate into active support for specific policies, it gives those SEAs that choose an activist approach yet another resource. So, for example, in State A where public support is strong, but elected officials do not play an active role in education policy, the governor and state legislature are more likely to support the SEA's general purposes and defer to the agency on specific policies. In a sense, then, public support compensates for a lack of active support from political elites.

A final element of political culture, important for our purposes, is public support of social equity goals. The majority of federal categorical programs were established to promote social equity by compensating children who are educationally disadvantaged because of poverty, race, national origin, sex, or physical handicap. Given these policy objectives, we assumed that state implementation of federal programs would be more faithful to federal goals in those states where the political culture supports similar social equity concerns. We also expected that such support would be strongest in those states with more heterogeneous populations and a large proportion of minority students. Evidence of this support would be primarily reflected in state-funded programs for special needs students.

We found in both this study and earlier ones that public support for social equity goals is low. This lack of support can be attributed to any number of historical, social, and political reasons, including a fairly widespread feeling that such concerns are not the responsibility of state government. Although state commitment to special needs students has grown over the past fifteen years, the kinds of categorical programs initiated by the federal government in the late 1960s are less prevalent in the states. Although all states sponsor programs for the handicapped, only 16 have compensatory education programs and only 22 fund programs for bilingual students.[3]

However, as States C and D indicate, the existence of such programs does not necessarily demonstrate public support for social equity goals. These programs have often been established to achieve political, rather than educational, purposes. Consequently, they are unlikely to have much effect on the implementation of federal categorical programs. Even in State A, with a political culture highly supportive of social equity goals, we found that this did not necessarily translate into more faithful program implementation, at least from the federal viewpoint. Since state and federal goals are similar, State A tries to mold federal programs to fit within state-funded ones. Consequently, the result may be greater programmatic development and more effective service delivery, but in some instances it has come at the expense of compliance with federal regulations. This situation demonstrates the trade-offs involved when state commitment to special needs students is high. On the one hand, federal goals are accepted as legitimate; but from a federal perspective, there may be less compliance simply because the state has a program in place and the federal grant is an insufficient incentive to change existing practices that the SEA views as effective.

In sum, the larger political context within which SEAs operate not only defines their role in the state education policy system, but also how they respond to the federal programs SEAs are required to administer. Both state political institutions and the more nebulous, but equally important, state political culture place powerful constraints on SEA behavior.

PUBLIC SECTOR RESOURCES

The four states in our sample all face varying degrees of fiscal retrenchment, with State D facing the most severe shortfall. This situation has generated three serious problems for public education. First, education now has to compete with other state services merely to maintain its share of a shrinking state budget. Consequently, it is more important than ever that education remain visible and hold the support of general government. Second, competition for funds is increasing not only between education and other social programs, but also among programs within education. The stiffest competition will occur between general education and programs for special needs students such as the poor, handicapped, and limited-English-speaking. Given the political configuration of most states, officials will have to make difficult choices among these programs and, ultimately, between general education and services for special needs students. This dilemma suggests that state officials may either have to abandon their commitment to special needs students or improve the general education curriculum so that it will benefit special needs students in a way it previously has not.

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[3] Allan Odden and C. Kent McGuire, *Financing Educational Services for Special Populations: The State and Federal Roles*, Working Paper No. 28, Education Commission of the States, Denver, Colorado, May 1, 1980, p. 3.

Finally, fiscal retrenchment means that SEAs must find new ways to fulfill their traditional responsibilities to local districts. As we have seen, SEAs, like most institutions, do not initially cope well with fiscal stress. SEA leadership, experienced in managing growth, often find it difficult to reorient their strategies and operating assumptions. But despite the hard lessons that must be learned, the experience of State A's SEA shows that retrenchment can be managed effectively. To do so, SEAs must first perceive that fiscal retrenchment necessitates doing things differently, not simply doing less of the same. Decline is not the reverse of growth, as the experience of State D illustrates. The incremental adjustments in managerial strategies that were sufficient during growth periods will not work during retrenchment. Rather, fiscal stress means that SEA leaders must think about ways of doing their jobs quite differently from past practices.

SEA CHARACTERISTICS

Organizational Structure

We hypothesized in Chap. 1 that SEA organizational structure would influence the extent to which federal programs are coordinated with other state and federal efforts, and consequently the SEA's approach to compliance. States organized along functional rather than categorical lines, we expected, would be more likely to integrate state and federal programs and, in that process, minimize compliance to some extent. This hypothesis, however, was not entirely substantiated in our sample states.

States A and D operate with a fairly pure functional structure, organizing federal programs within broader SEA functions. State C operates federal programs through categorical lines. State B employs a mixed structure, incorporating some federal programs into functional areas, separating others. Yet we found that state-level coordination of state and federal efforts cannot be predicted by these organizational structures alone.

The differences we observed in programmatic and administrative coordination of federal programs cannot be explained in terms of structure alone. State D's functional organization produces none; State C's categorical structure produces marginally more than States B and D. Structure, we find, does not dictate process. Instead, this aspect of SEA program implementation—coordination and integration—is determined by two other SEA characteristics, *general management style* and *view of federal funds.*

Agency structure does not promote coordination unless management adopts coordination as a priority and establishes the organizational routines, particularly communication channels, to support it. Agency efforts to coordinate federal programs also reflect an SEA's view of federal funds. From the advent of ESEA, State A's SEA has viewed federal funds as additional resources for promoting its own objectives. As a legislative assistant put it, "We take a cooptive view of federal funds. We manipulate these funds and use them opportunistically whenever possible. Federal funds are just the icing on the cake —they are supplemental to our own efforts. We feel free to use them as we see fit." In contrast, States B, C, and D have traditionally viewed federal programs as an administrative, rather than a programmatic, task, and as ancillary to core SEA activities. The state's responsibility, in this view, is simply to channel federal funds to SEAs and to ensure local compliance with federal guidelines. Staff in these SEAs generally see no additional SEA role in shaping the content of local projects or in linking similar state and federal efforts.

In this respect, the second component of our hypothesis—that categorical organization supports compliance—is partially valid. Where SEAs make an active effort to coordinate state and federal efforts, compliance concerns are deemphasized and compliant behavior is often stretched to its broadest interpretation. State A SEA officials, while agreeing that SEAs have an obligation not to abuse federal funds, also believe that present regulations obstruct effective state and local practices, particularly in areas such as compensatory education where the state has extensive experience. As a result, many of State A's compliance activities are, at best, pro forma. For example, SEA staff see no reason to expend their resources monitoring project compliance in the state's flagship districts. Consequently, staff complete the requisite checklist as quickly as possible and devote their energy instead to LEAs with less successful compensatory education practices. There, monitoring consists less of compliance checks than of technical assistance and direction about program choices. Our sample states, then, suggest that programmatic coordination does not necessarily lead to questionably compliant behavior. Rather it means that compliance issues are subordinate to programmatic concerns.

SEA Role

As we expected, the variation in SEA role that we observed in our four sample states is largely explained by state political culture and the state's traditional relationship with local jurisdictions. We also expected that passive SEAs, like that in State D, would have little, if any, independent effect on local project activities. In contrast, we hypothesized that active SEAs would exert a significant influence over local implementation patterns. For active SEAs, whether they define their role as primarily regulatory or assistance-oriented would further determine SEA impact in local districts. These initial assumptions were basically borne out in our sample states.

However, differences in implementation patterns across these four states also suggest that SEA role is not always monolithic. Except for State A, where state and federal projects are seen as part of a unified SEA strategy, SEA officials distinguish their role in state programs from that in federally supported ones. State D sees its primary role as supporting local districts, even though it has little capacity to act on that role. Both States B and C define local technical assistance as a primary function for SEA staff, but such assistance is essentially absent in their federal program implementation. Instead, federal programs are seen as an administrative rather than a programmatic responsibility. Thus, particularly for States B and C, SEA role differs in crucial ways between state and federally supported activities.

These differences are partially explained by the tradition of federal program implementation that has evolved in these agencies. ESEA and other federal efforts were not enthusiastically received in State B. State B espouses a strong states' rights philosophy and experienced stormy relations with the federal government over school desegregation. ESEA and its kin were seen as additional federal intrusion. The state therefore set about to obey the letter of the law but no more, and federal initiatives were never viewed as part of the state's education policy system. In State C, both federal and state efforts were framed in regulatory terms until the mid-1970s. Efforts to develop SEA technical assistance capacity have, thus far, focused on state efforts, but this reflects perceived constraints as well as administrative taste. It is unlikely that State C officials can bring strong programmatic involvement to SEA federal program activities, especially of the directive type seen in State A. LEAs have come to regard federal funds as "theirs," and local objections to SEA intervention in program choice would find strong support in the legislature. State C may well be locked into a relatively nondirective federal program role by the state's political culture.

SEA Priorities

The extent to which SEAs define their roles differentially for state and federal activities, as well as how SEAs mold federal programs, can also be explained by specific SEA priorities. We expected SEAs that define their priorities only in terms of the general education curriculum and evidence little commitment to special needs populations would show less investment in federally specified categorical objectives. This relative lack of concern, we hypothesized, would minimize SEA role in federal program implementation. The behavior of our sample states supports this hypothesis.

The major priorities of all four sample states deal with the general education curriculum; to the extent that special needs students are considered, it is primarily with regard to handicapped education. Only in State A are special needs students enough of a state priority to warrant an investment in coordination across state and federal programs. In examining state program priorities, we see once again the inconsistency between state and federal objectives, and thus the reasons why SEAs may play a very different role in federal program implementation from their role in implementing their own programs.

SEA Capacity

Except for State D, the states in our sample are growing in capacity, particularly in their ability to provide technical assistance to local districts. This increased capacity is both a function of state support for a more active SEA role and federal capacity-building funds like ESEA Title V. Ironically, then, even in a state like B, which views federal programs as peripheral to its central mission, the SEA's capacity to serve local districts was enhanced by federal funds. Because these funds are likely to drop over the next few years, however, SEA capacity will depend more and more on state support.

Our sample states also suggest another sobering conclusion: Unless capacity was developed during the good times, there is little possibility of doing so in economic hard times. To greater and lesser degrees, States A, B, and C used the new funding that came with ESEA, particularly Title V, to develop their present levels of expertise, identify effective practices, and establish ways of acquiring information about local needs and problems. The institutional learning that took place during this expansionary period required considerable resources. Identifying and building effective practices and organizational capacity required human capital investment in staff recruitment and training. It also required risk capital that could be used to support innovation, new project initiatives, and experiments with alternative practices. As a result of such developmental efforts, these states have relatively clear priorities to guide SEA management.

State D never used federal funds, notably Title V, in a purposively developmental mode. Instead, these new funds were used essentially to fill gaps created by insufficient state support for SEA activities or to support, in isolation from general SEA operations, mandated federal program responsibilities. But now that state support is being reduced and decreased federal funding is likely, State D has no structure in place to acquire information about LEA needs, little leadership to support the rethinking of SEA priorities and practices, and few existing and valued routines upon which agency reorganization could build. Nor are the funds necessary for the institutional learning that took place in the other states likely to materialize.

CONCLUSIONS

The experience of our four sample states shows how SEA structure, role, priorities, and capacity work together to shape state and federal program implementation. Although these characteristics are interrelated, the SEA role in the policy system, as authorized and supported by the state legislature, is pivotal. Without legislative investment in an active SEA, the agency cannot expect to acquire the leadership, effective priorities, or capacity to play a positive role either in state or federal activities.

We have also seen that even in states with relatively strong capacity, the SEA role in federal program implementation depends on whether federal programs are seen as ancillary or central to agency concerns and, concomitantly, whether the political influence of groups representing special needs students forces attention on categorical concerns.

Another lesson underlined by our four sample states is that SEA influence on local activities depends on the way organizational resources are used, as well as on their absolute level. For example, through its close coordination between state and federal programs, State A has successfully avoided redundancy and has sent a consistent message to LEA staff. This coordination represents an effective mobilization of SEA resources, regardless of funding source, to support SEA priorities and promote local quality. From another perspective, however, State A's SEA may not be making the most efficient use of agency resources. Traditionally, this SEA has been highly centralized. Prior to staff reductions, it was able to maintain this management model, carrying out its mandated responsibilities of extensive curriculum development and annual test preparation, in addition to spending substantial time in districts monitoring and providing technical assistance. Staff reductions have meant a serious decrease in technical assistance capacity and in agency morale.

Despite the obvious difficulties in continuing the same level of involvement with a reduced staff, the State A SEA has been slow to decentralize resources and authority. Only recently has it begun to move to a regionalized model of workshops and technical assistance and to make greater use of the state's well-developed intermediate units to support state priorities.[4] To that end, State B, through its regional centers, and State C, through its LEA Service Teams, exemplify how a decentralized model can multiply SEA interaction with LEAs and thus, in theory, its influence on local activities.

Our sample states also offer insights about how and under what conditions SEAs can cope with fiscal retrenchment. All four states face fiscal stringency, but have responded differently to the threat or fact of reduced state and federal funding. Three factors appear to be critical to an SEA's ability to manage retrenchment without serious damage to its chosen role: strong SEA leadership, influential political support, and well-developed institutional capacity.

State A, the first of our states to encounter fiscal stringency, has learned that simply doing less of the same, or even the same with fewer resources, seriously erodes the quality of SEA activities. That is, "less" of the same management and service delivery model produces an exponential, not a direct, effect on the quality of SEA activities. Consequently, State A is striving to identify new models of management and service delivery. Moves to modify its centralized management model by utilizing regional structures has been one result. The increased emphasis on intra-agency coordination is another. The SEA has also begun to train a new breed of generalist to replace or supplement the highly specialized expertise that has so long characterized this SEA. SEA administrators believe that a "brokering" model will allow them to target SEA expertise more effectively and also to utilize knowledge found in LEAs across the state. Officials acknowledge that it will no longer be possible to support all the expertise needed by local districts within the SEA; nor, in the view of some top-level administrators, is it desirable.

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[4] The state's intermediate service units were established to serve *regional*, not state-level, needs. These units, supported by state and local funds, provide services primarily in occupational education, special education, and various management areas such as data processing, research, and evaluation. LEAs contract with the service units on a fee-for-service basis and also pay a share of administrative costs proportionate to LEA enrollment or assessed valuation. The SEA provides an incentive for local participation by providing additional state aid to those LEAs who join an intermediate service unit.

The reorganization under way in State A represents tough decisions, in both political and human terms. Which activities will be reduced? Which will be consolidated? Who will be reassigned or terminated? Both making and implementing decisions such as these depend above all on strong agency leadership and a clear sense of agency mission. The effect of an absence of such leadership or lack of priorities in the face of fiscal retrenchment can be clearly seen in State D. This SEA, by the report of staff, has managed retrenchment by "doing nothing—simply trying to maintain." The result of this nonmanagement strategy has been almost random staffing shifts, brought about by attrition rather than reassignment and thus an unintentional reweighting of agency activities and focus.

The importance of political support for education and for the SEA during a time of retrenchment is also illustrated by our sample states. Such support exists in States A and B. In both states, the education budget has done as well as, if not better than, other public sector activities in the budgetary process. In State A, legislative commitment to a strong SEA and high-quality education, combined with the influence of the legislatively appointed State Board of Education, have minimized SEA budget cuts. In State B, the governor's strong support for the SEA's regional network and the influential constituency of the elected CSSO are likely to protect the SEA from disproportionate cuts as the state faces an economic shortfall this year. State C's and D's SEAs are in much greater jeopardy. The State C governor has little interest in education and the legislature does not support a strong state role. Further, the SEA lost a measure of political influence in this partisan state with the constitutional change from an elected to an appointed CSSO. As funds become tight in State C, the legislature is likely to pull education dollars away from the SEA and use them as direct aid to local districts. Consequently, the SEA's ability to continue developing the strong intermediate structure it envisions is in doubt. State D's situation is similar. There is no support in general government for a strong SEA; the elected CSSO, who ran on a platform of increased local control, will do little to enhance the SEA's case for funding. State D's SEA's already weakened capacity is likely to be diminished even further.

In a time of fiscal retrenchment, organizational capacity becomes a self-reinforcing notion. A fairly high level of organizational capacity is clearly necessary to manage retrenchment successfully. Yet, because of retrenchment, the funds necessary to build capacity are unavailable. Consequently, short of a dramatic shift in state political culture and perception of SEA role, weak SEAs are likely to decline in capacity even further. Ironically, this will occur at a time when LEAs, facing their own fiscal problems, may be the most needing of and interested in a stronger SEA role, particularly in the provision of services and technical assistance.

In summary, this chapter has shown how the SEA policies and practices that underlie both state and federal programs are shaped by central SEA characteristics: organizational structure, role, priorities, and capacity. Our analysis also indicates the considerable extent to which a state's larger political system, particularly its political culture, shapes SEA characteristics. This broader organizational and political environment becomes even more salient when fiscal retrenchment replaces public sector growth.

The next two chapters examine the extent to which variations in state implementation patterns are reflected in two of the largest federal programs, Title I and PL 94-142, and in their state-funded counterparts. They will also analyze the extent to which federal program regulations, as compared with state-level factors, explain implementation differences across states and programs.

Chapter 4

THE STATE IN COMPENSATORY EDUCATION

INTRODUCTION

Title I of the 1965 Elementary and Secondary Education Act, the nation's largest federal elementary and secondary education program, provides over $3 billion annually to support compensatory education programs for children living in areas with high concentrations of low-income families.[1] ESEA's 1965 passage resolved the historical stalemate over federal aid to education and established a new intergovernmental partnership in the delivery of educational services. Defining this partnership was a delicate political task. Title I's architects purposely understated federal and state program roles in order to avoid the specter of federal intrusion that traditionally had blocked federal education legislation. Title I's framers also believed that effective SEA and LEA practices would require latitude. For both political and substantive reasons, then, the Title I program role at all levels of government was loosely specified in 1965. USOE was charged with responsibility for establishing the "basic criteria" against which local use of Title I funds could be measured for consistency with Congressional intent; SEAs were required to develop procedures for distributing funds and approving, monitoring, and assisting local Title I projects. Programmatic responsibilities rested with LEAs, who were charged with identifying eligible children and developing programs to meet their "special educational needs." Planners hoped that this division of responsibility was tight enough to provide accountability and establish the legitimacy of federal categorical interests, but also flexible enough to allow for the play of state and local interests in the development of Title I projects.

Early experience with Title I, however, brought a specificity to both federal and state roles that Title I's original supporters had not intended. Lack of experience with compensatory education and lack of knowledge about effective practice, together with an absence of widespread state and local commitment to Title I's categorical objectives, resulted in state and local practices that were clearly at odds with Congressional intent. Evaluators charged with assessing local practices were unable to identify Title I programs.[2] A review supported by national civil rights groups found dramatic examples of local noncompliance, and drew attention to USOE's failure to respond to persistent reports from the Department of Health, Education, and Welfare's Audit Agency that more than $150 million of Title I funds was being misspent.[3] Researchers examining national-level data estimated that approximately three-fourths of the states were in noncompliance with the law.[4] At the insistence of Congress, USOE responded to these criticisms by adding 30 positions to the Division of Compensatory Education staff, seeking the return of about $10 million in allegedly misspent funds from eleven states, developing tighter regulations concerning the use and oversight of Title I funds, and shifting from "a passive service-oriented agency providing limited direction" to an aggressive, regulatory agency.[5]

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[1] In August 1981, ESEA Title I became Chapter 1 of the Education Consolidation and Improvement Act (ECIA). Although the exact Chapter 1 appropriation has not been determined, the estimated 1982 budget reduces federal support for educationally disadvantaged students from $3.112 billion to $2.481 billion.

SEAs, taking their cue from this new USOE posture, increased their monitoring and oversight activities to the point that they began to define their Title I responsibilities almost exclusively in terms of "clean audit trails" and passing marks from federal monitors. By all reports, the result has been close compliance with federal program regulations.[6] Although problems occur from time to time, it appears that Title I's legal framework is in place.[7] Another result of this increased federal emphasis on regulation is that the states' Title I roles are remarkably uniform across the country. Although, consistent with other state-level Title I studies,[8] we observed variation among our sample states in the management and implementation of Title I, the differences generally were marginal. Our sample contains few state-level differences in SEA Title I implementation that could be expected to affect the quality of local practices either systematically or substantially. This chapter examines SEA implementation of Title I and the factors that explain the state Title I role. A major question raised by our research is the extent to which the federal, and thus the state, role continues to be productive in view of the program's maturity, the reality of fiscal retrenchment in states and local districts, and uneven state-level commitment to special programs for disadvantaged students.

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[2] E. J. Mosbeck et al., *Analyses of Compensatory Education Programs in Five Districts: Summary*, General Electric Company, Tempo Division, Santa Barbara, California, 1968.

[3] Ruby Martin and Phyllis McClure, *Title I of ESEA: Is It Helping Poor Children?* Washington Research Project of the Southern Center for Studies in Public Policy and the NAACP Legal Defense of Education Fund, Inc., 1969.

[4] Michael Wargo, *Title I: A Reanalysis and Synthesis of the Evidence*, American Institutes for Research, 1972.

[5] Murphy, p. 172.

[6] See, e.g., Michael Kirst and Richard Jung, "The Utility of a Longitudinal Approach in Assessing Implementation: A Thirteen Year View of Title I, ESEA," *Educational Evaluation and Policy Analysis*, Vol. 2, No. 5, September-October 1980, pp. 17-33.

[7] Lawyers' Committee for Civil Rights Under Law, "An Analysis of the Legal Framework for State Administration of Title I of the Elementary and Secondary Education Act of 1965," Washington, D.C., 1977.

[8] See especially Robert J. Goettel et al., *The Administration of the Elementary and Secondary Education Act Title I in Eight States*, Syracuse Research Corporation, Syracuse, New York, October 1977; SRI International, *Trends in the Management of ESEA Title I: A Perspective from Compliance Reviews*, Menlo Park, California, September 1979.

STATE-LEVEL IMPLEMENTATION

SEA Program Activities

ESEA Title I specifies two broad responsibilities for SEAs: *regulation* and *technical assistance*. SEA *regulatory* activities include development and approval of local applications, and monitoring local project activities. Three of our states, B, C, and D, approach these regulatory responsibilities in essentially the same fashion. None stray far from federal language or impose additional regulations to shape local Title I projects. To do so would run counter to the strong local control traditions in States C and D. In State B, the state's Administrative Procedures Act would require a public hearing if the SEA were to add anything to existing federal regulations. In addition, as we will discuss in greater detail below, State B has never regarded Title I as a state program. From the outset, it has been viewed as a federal effort to be administered as expeditiously as possible.

Local application forms prepared by the very different State B, C, and D SEAs are substantially identical, and carefully track federal regulations. All require detailed information on LEA methods for identifying eligible attendance areas and participating students, itemized budget expenditures, and assurances of parent and nonpublic school involvement. However, these local forms give only cursory attention to project content. Although all include space for brief project narratives, in States B, C, and D LEA Title I applications do not request information that could permit assessment of the quality or promise of proposed Title I activities. Nor does subsequent Title I application review and approval focus seriously on issues of program substance. Application reviews in States C and D are strictly compliance checks. Although subject area staff in State B are required to review local Title I applications, these specialists report that no action is taken in response to their recommendations. As a State B math specialist explains, "SEA staff have tended to see federal program administration as a review exercise. Substance has never surfaced. I guess that's why our criticisms about program content are never acknowledged."

The focus of SEA Title I monitoring in these states also is substantially identical. Like LEA applications, the SEA checklists prepared for monitoring visits track federal regulation categories—eligibility calculations, needs assessment, parent participation, and so on. Almost all site review questions can be answered by a simple "yes" or "no." Form letters delivered SEA assessments to local administrators. Monitoring, in short, is purely a compliance review; questions of program quality are not an explicit part of this oversight activity. Among these three states, differences in frequency of SEA monitoring reflect differences in staff capacity and program structure. State B, which has located twelve Title I staff in its regional offices, monitors the state's approximately 140 projects "constantly," and conducts a formal review of each LEA program once a year. State C uses about 30 of its approximately 50 or so staff positions exclusively for monitoring. Its 50 largest projects are monitored each year; the more than 800 remaining Title I projects are formally monitored every other year.[9] In State D, the four SEA Title I staff are able to monitor the state's over 300 Title I projects once every three years—the minimum required by law.

State D's minimalist approach to local Title I project monitoring has been criticized by federal site visit teams. While it is true that State D Title I staff do only the monitoring required by law, and so have substantially less contact with local projects than do staff in our other sample states, it is also true that it would be difficult for State D's Title I staff to do much more. As the Title I director points out, "The 1.5 percent administrative funding just barely covers the regulation part. We are lucky to see a school every five years. We couldn't possibly spend any more time in the field—we are out over 75 percent of the time as it is." The State D Title I program demonstrates the consequences of avoiding differential state requirements for administering federal programs. Because rural State D serves relatively few Title I students, the SEA receives the minimum allocation for state-level administrative support. However, the fixed costs of overseeing its many small Title I projects are the same as in states serving more students. It takes almost as much time and travel to monitor a Title I project serving 50 students as it does to monitor a project twice or even three times that size. Likewise, the time required to prepare state plans or review local project applications does not vary substantially by project size. However, because State D serves relatively few Title I students, the funds available for state-level administration can support only four professional staff. Leaving one staff member to man the office, only three SEA Title I staff are available at any time to monitor the state's more than 300 local Title I projects. The problems generated by the number of local projects are compounded by the size of State D. Highway trips from the state capital to the eastern part of the state take eight hours. Further, they must be made in the early fall or late spring, as winter snow makes mountain roads impassable. In contrast, State B, which is about the same size as State D, has about 25 professional Title I SEA positions to monitor the state's 140 or so Title I projects. Given these fixed costs, differences in the quality and comprehensiveness of SEA administration are to be expected. But they represent Title I program characteristics, not SEA differences.

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[9] Until this year, State C's Program Service Team members funded through Title I played no role in program monitoring; central SEA staff assumed this responsibility.

State A's Title I regulatory activities differ from those in our other sample states in crucial ways. In particular, SEA regulatory activities stress program quality as well as compliance at each step. State A's local application forms, like those in the other states, require extensive detail on needs assessment, determination of eligibility, nonpublic involvement, and other areas of federal concern. However, unlike our other sample states, State A also requires fairly comprehensive evidence that LEAs have addressed issues that SEA Title I staff believe will promote project quality. For example, the 40-page instruction booklet accompanying the application specifies that local staff must address such issues as how resource teachers and regular classroom teachers will coordinate instructional services, the time scheduled for compensatory and regular personnel to confer on student progress, and how principals will be involved in decisions concerning the program in their building. The SEA specifies program priority areas: reading, writing, mathematics, and bilingual education. For each area, SEA guidelines indicate the general structure and in some cases the knowledge base expected in local projects. For example, small corrective reading groups may have no more than eight students; supplementary instruction must be provided for at least 30 minutes no less than three times a week; evidence must be supplied that knowledge of current theory and research in writing has been sought and applied in developing the writing program.

Likewise, State A's application review involves substantially more than ensuring a "legal" project. After local applications are received in the SEA Title I office, they are dispersed to specialists in the SEA's subject area units. Here they are reviewed for overall quality as well as consistency with SEA policies in that substantive area. The SEA Title I director insists upon, and generally obtains, a ten-day turnaround by subject area staff. Unlike State B's pro forma subject area specialist involvement, specialists in State A concur that their comments are influential in the Title I application review process. For example, reading specialists reported that as a result of review, around 10 to 15 percent of the local projects are not recommended for funding; another 25 to 30 percent are returned with comments and suggestions for improvement. Local project evaluation data are also tied to the application review process. The SEA evaluation office sends project pupil profile data from the previous year's project for each LEA. In this way, Title I program implementation profits from the state's unusually strong data-collection and analysis capability. As a result of this check between last year's outcomes and this year's proposal, the Title I director reports that "we ask for modifications about 20 percent of the time. We want to see program effects after three years. If there are none, we don't want to see the same design proposed [to us] again." Based on specialist comments and evaluation data, SEA Title I staff "negotiate" with local staff and work together to develop an acceptable Title I application.

State A's monitoring also extends beyond federal mandates to address program quality issues. As in States B and C, Title I is monitored through a regional structure. State A has established five regional Title I offices to serve its approximately 750 projects. Four have four professional staff each; the office serving the state's largest city has twelve Title I staff members. Regional staff are in continual touch with local projects. Formal monitoring is scheduled by project size: Projects funded at over $500,000 are monitored continuously; those between $100,000 and $499,000 are monitored twice a year; projects receiving less are monitored once every two years. In addition to checking local records on student targeting and comparability, SEA monitors also examine "process" components described on local applications, such as staff training programs, regular and compensatory instruction coordination, and planning procedures. SEA subject area specialists funded by Title I are called in when problems in program design or implementation arise. And whereas SEA monitoring visits in our other sample states focus on central office files and staff, State A Title I staff expressly include school buildings in site visits; they do not spend the same amount of time in each district, however. LEAs that are known to operate a compliant and effective Title I project receive only cursory attention. Instead, SEA staff focus their monitoring resources on LEAs flagged by regional staff as problematic either in program compliance or project quality.

Technical Assistance

Federal law requires that "Each state educational agency shall carry on a comprehensive program to provide technical assistance to local education agencies and state agencies with respect to the use of funds received under this title." In general, only two of the SEAs in our sample approach the "comprehensive program" of technical assistance assumed by federal law. In all four states, technical assistance is primarily reactive, typically defined in terms of promoting local regulatory compliance, and, excepting State A, is isolated from SEA Title I management procedures. Technical assistance varies substantially in our four states; not surprisingly, it is minimal in State D, given SEA staff resources. By the report of SEA Title I staff, most occurs as LEAs telephone the SEA with project compliance concerns. SEA staff also prepare bulletins informing LEAs of acceptable practices in problem areas, such as secondary school programs and needs assessment. SEA-sponsored efforts to promote better local practices revolve around an annual statewide workshop, which last year was a well-received "show-and-tell" in which local Title I staff from around the state shared successful project strategies. SEA Title I staff would like to provide more technical assistance; however, their time is consumed by monitoring responsibilities.

States B and C also sponsor statewide workshops, but rely on their regional structures to provide technical assistance to local projects. The nature of that assistance differs. In State B, by virtue of staff charge and background, Title I regional staff technical assistance consists almost wholly of helping local staff prepare project applications that meet federal criteria. This service has been particularly valuable in the state's small, rural districts, which have neither the staff nor the experience to manage Title I targeting, allocation, and comparability calculations confidently. The result, in the view of SEA Title I staff, has been a dramatic reduction in problems with local Title I applications and project implementation; but these staff members are administrators and do not have the expertise to assist local personnel with substantive questions of program design. Further, although the composition of regional center teams provides the potential to address Title I program issues by arranging for a meeting of Title I staff and state-funded subject area specialists, something which would not have been possible before Title I operations were decentralized, this occurs infrequently. But as the Title I director explained, "Reading specialists have all they can do just to do their job. Their job does not include Title I." Regional Title I staff have made attempts to inform local personnel of program operations, such as national exemplary projects, but as a regional compensatory education coordinator commented, "We can only suggest. We can do little to insist on changed local practices."

State C's regional service teams are better equipped, because of their generalist orientation, to provide the comprehensive technical assistance mandated by Title I. The team members possess subject area expertise in addition to knowledge of Title I regulation and procedures. Regional team staff funded through Title I are required to provide at least twelve workshops a year for LEA personnel; these sessions treat programmatic concerns, but typically they focus on administrative concerns, such as parent involvement strategies, needs assessment, and targeting. The SEA also sponsors three statewide workshops each year which, according to the Title I director, focus 60 percent on regulation and 40 percent on issues of program design.

In both States B and C, regional team members, as well as SEA Title I staff, doubt that their programmatic assistance efforts are doing much to improve local Title I projects. For one thing, locals as well as SEA staff tend to see their most immediate Title I "problems" in terms of compliance issues; questions of program quality take a back seat to running a "legal" Title I program. For another, neither SEA nor regional Title I staff has any leverage to require LEA reexamination of questionable practices. As one State C Title I official explained, "There is a strong sense of local control in our state, especially in the rural areas. They would really resent our getting involved in their programs. We find the poorest programs in the state are those in districts that don't ask for help." Consequently, both SEA and regional staff believe the major impact their technical assistance efforts have had is in interpreting regulations and assisting in the development of local applications. Both states report that local compliance problems have eased; but in the absence of local interest, SEA Title I staff have few if any ways to improve the quality of local programs. In States B, C, and D, then, technical assistance to enhance local project quality is dominated by compliance issues and is effectively divorced from state program administration.

Only in State A is technical assistance tied to program management. Local application approval turns on questions of project quality as well as program compliance. Local proposals judged substantively unacceptable are revised with the assistance of SEA subject area specialists. Similarly, Title I on-site monitoring visits focus on program outcomes as well as program compliance. Unlike our other sample states, where local Title I evaluations serve little useful purpose beyond providing data for the mandated state evaluation, State A employs local evaluations to screen project applications and target technical assistance. Finally, State A's policy of multiple funding for single specialist positions means that in visiting LEAs, specialists can provide assistance on all district programs in a particular area, regardless of funding source. However, even though SEA Title I technical assistance is managed to obtain the greatest benefit from available resources, given limited staff, the central location of SEA subject-matter specialists means that the average LEA in State A actually receives little *direct* technical assistance.

State A, in short, is the only state which has developed administrative procedures that force local attention to the programmatic advice provided by SEA Title I staff. Local attention to such advice does not, of course, ensure better practice. At best, local attention to SEA assistance in program design may be a necessary but not a sufficient condition for improved local Title I practices. But the experience of States B, C, and D offers a clear lesson. In the absence of administrative mechanisms to compel local consideration of more promising practices, local staff—especially where Title I projects are having the least effect—may not act on the programmatic assistance available, particularly if present activities pass compliance review.

Coordination of Title I with Other SEA Programs

In the 1978 ESEA amendments, Congress explicitly called for greater coordination of Title I with other state and local compensatory education projects, and with the general curriculum. Not much coordination has been achieved, however; the obstacles lie both in Title I regulations and in state and local practice.

All four sample states fund compensatory education programs. Only in State A, however, are state and federal compensatory education efforts coordinated with each other and with the general curriculum. The state's unified compensatory education application requires LEA administrators to show how state and Title I funds will be used together to meet the needs of educationally disadvantaged pupils. The SEA also requires building-level councils that are responsible for coordinating state and federal compensatory education funds with all other funds coming into a school and with the regular instructional program. The state's joint application also mandates coordination between remedial and regular school instruction. To reinforce this objective, SEA officials have "declared war on Title I pull-out programs," disallowing them except where district staff can show substantive integration with regular instructional activities and teaching staff.

According to State A SEA Title I administrators, there has never been a problem in coordinating state and federal compensatory efforts. State compensatory funds are exempt from LEA comparability requirements since their targeting and programmatic requirements are "identical or similar" to Title I. Consequently, local officials have been able to use state compensatory education funds, which are allocated on the basis of underachievement as measured on state norm referenced tests, to serve educationally disadvantaged students who do not reside in Title I eligible attendance areas or for whom there are insufficient Title I funds. Coordination of compensatory efforts and general education practices is also promoted through the use of subject area specialists in project application review and on-site assistance that stresses pedagogical consistency across remedial and general education efforts.

State B coordinates Title I and its own secondary-level compensatory education program by suggestion. Local staff are urged to target Title I resources at grades 4-8, the grades not served by the state's primary reading program or by the secondary school compensatory education program. However, in State B, Title I is not coordinated with the general education curricula at either the state or local levels. At the state level, Title I is isolated both physically and by function from the rest of the SEA. Because the Title I office is located several miles out of town, communication between Title I and SEA curricular staff is difficult. Further, the program's isolation from other state and federal activities is enhanced by the program's organizational location in the division of administrative services. Two factors account for this isolation: the SEA's character in 1965, and current perception of Title I rules, regulations, and purposes. Although the State B SEA currently is an active, technical-assistance-oriented agency, it was essentially a credentialling and regulatory agency when ESEA was passed. Title I was seen simply as another administrative chore. Making matters worse was the state's perception of Title I as "another federal program with the potential to cause us the same problems we had with federal civil rights and OEO [Office of Economic Opportunity] programs." However, even if the SEA had taken an early substantive interest in Title I projects, the SEA's mid-1960s regulatory character meant that no staff were available to assist LEAs in program design. As the Title I director explained, "We didn't have the horses in [the SEA] that could help design a good instructional program. We were all administrators. We could help design a legal program—programs that were horrible, but legal."

Similar concerns have defined local Title I projects as, at best, ancillary to regular district activities. According to SEA and regional staff, locals interested in increased coordination believe that the risk of noncompliance is not worth the effort. It is simply easier and safer to isolate Title I activities from other school services. The roots of Title I's isolation in State B go deeper than that, however. Title I was seen at its inception as a special program for minorities, and there is little political support in State B for efforts targeted at special populations. Minority and low-income groups have little effective voice at the state level. Further, the governor explicitly subscribes to the view that special populations such as those addressed by Title I will be served best by programs that improve the quality of education available to *all* students in the state. This perspective, combined with lack of state and local enthusiasm for federal intervention of any kind, has made many local Title I programs what respondents at all levels call a "dumping ground." As the President of the State Association of Compensatory Educators put it:

> It all goes back to the lack of commitment to [economically] disadvantaged kids and local view of the Title I program. My major problem is not having the autonomy I need to select the staff I want. First, I have to go through LEA personnel. Then sometimes principals reassign the staff I pick. Principals and LEA staff see Title I as a dumping ground. They see it as the lesser of two evils in terms of where to put underqualified or incompetent staff.

For all of these reasons, then, at both state and local levels, Title I generally operates independently of general education activities.

States C and D make no effort to coordinate Title I and their state compensatory education programs, primarily because these are programs in name only. Neither state, notably State D, is much interested in special services for Title I students. Both states have used the compensatory education label simply as a way to channel extra funds to particular districts. State D makes a flat grant to its largest city and requires no plan or targeting for these funds. As a state administrator explained, the compensatory education program "was simply a trade-off. [The city] had the most wealth in the state and therefore never participated in the equalization component of the state aid formula. In order to get them to agree to the state aid formula, we had to sweeten the pot with some money." The compensatory education program in State C has a similar origin. Impetus for the extra funds came from a teachers' strike in the state's largest city. In order for the state to provide money to that city to help end the strike, legislators needed to allocate additional funds for other districts as well. Originally, these funds were called a "density bonus," with the bulk of the money going to the state's largest city. However, several years later, as the state began to consider the implications of California's *Serrano* suit for state school finance, the program was modified to channel more money to other districts serving poor children. Title I eligibility was adopted as a weighting factor in the state's general aid formula; only those districts with large concentrations of Title I eligible students are required to submit a plan, which is not monitored or evaluated. In both States C and D, then, the state compensatory education program is not a "program" but simply a state-aid weighting factor. Funds, accordingly, are treated by the recipient LEAs as general aid; thus there are no special compensatory project efforts to coordinate with Title I. In urban LEAs, however, where budgets are stretched and many students qualify for compensatory services, general aid may be the most sensible state strategy for this special needs group. That is, LEA knowledge about the nature and distribution of compensatory education problems is likely to support more effective resource allocation choices than would be possible under a general SEA plan that pertained to all of the state's districts

Like State B, neither C nor D pursues state-level coordination of Title I and general education activities. Title I administrators in both states defend this lack on the grounds that their job is primarily to ensure local compliance with Title I regulations, and that questions of program design and focus are the responsibility of local staff. The strong local control ethos in both states precludes substantive state-level involvement in local project operations. Nor is there any state-level commitment to coordinated management. The regulatory posture of each state's program serves to isolate Title I further from ongoing agency activities, which are explicitly defined in terms of technical assistance. As the State D Title I director explained:

> Title I has always fit in badly with the rest of the department. [State D] has tolerated the program over the years, but the [SEA] has never really known what to do with it. They only see us as people who hand out money and regulation. Therefore, we're not seen as a genuine or good education program. We are highly regulatory, but we are forced by the program itself to act that way. This has been a problem. It has separated us even further from the basic education people. The Title I rules and regulations don't always make educational sense.

In States C and D, an analogous view prevails at the local level, and deters coordination between Title I and other educational services. According to an SEA Title I specialist: "Title I is still seen as a temporary appendage by 70 to 80 percent of the LEAs."

In short, Congressional intent that Title I be coordinated with other special programs and with ongoing education activities has not yet been addressed to an appreciable extent. Our sample states exhibited virtually no coordination except in State A, where Title I is coordinated with the state's compensatory education program through a joint application, and with general education through application, monitoring, and technical assistance procedures. Instead Title I efforts at the state and local levels are peripheral to other activities.

One important explanation for Title I's administrative and programmatic isolation lies in the emphasis on federal compliance. Discrete Title I efforts are easier to plan, audit, and monitor. Besides, substantial costs being associated with programmatic coordination, especially at the local level, it is not surprising that few LEAs or school staff are eager to assume these costs in the absence of state mandates to do so. For example, the costs to a conscientious principal or teacher of coordinating Title I activities with other school programs, of making certain that the sequence of regular classroom activities does not disadvantage students in Title I pull-out programs, and of keeping records on student Title I activities adequate to inform subsequent teachers are substantial. Yet these costs are not reimbursed by Title I and typically are not recognized by district policies. Hidden costs such as these present very real obstacles to local coordination of Title I and general education programs.

A second reason is that few SEAs place a premium on coordination. Only in State A is coordination an explicit SEA management objective. Although State C is moving to increase coordination across agency activities, regardless of funding source, the results thus far are only superficial. At the present time, none of our sample states, except State A, has the managerial commitment or agency routines to support coordinated SEA program management.

A third reason is the character of SEA-LEA relations. For the reasons discussed above, coordination is a practice that few LEAs would elect. Although all our SEA Title I respondents believe that greater coordination would enhance Title I's effectiveness, only State A's SEA has the tradition of active and directive involvement in local districts to make such a coordination mandate politically possible.

A final factor minimizing coordination in States B, C, and D is the lack of state political support for special programs aimed at Title I eligible students. State-level commitment to this special needs group, like that seen in State A, is necessary to marshal the broader SEA resources required to support active coordination of state and federal compensatory efforts.

SEA Relationship with the Federal Government

Two dimensions describe an SEA's relationship with the federal government: (1) SEA response to federal monitoring and enforcement activities and (2) SEA perception of the appropriateness of the federal role. Title I officials in all four states describe their relationship with ED Title I staff as "fine." By this they mean that they presently have no fundamental disputes with federal staff over Title I practices. Nonetheless, Title I directors in our sample states perceive serious problems in the federal-state-local partnership. First, SEA Title I staff continue to cite federal inconsistency in the interpretation and application of regulations as irksome.[10] Federal responses to SEA requests for clarification, and federal audit and monitoring assessments, apparently vary depending on the ED Title I staff member contacted or the composition of the federal monitoring team. As one SEA official put it:

> The regulations are a nightmare. Guys in other states have problems I've never heard of. Interpretation and inconsistency are the biggest problems. Not only is there inconsistency among states, there's inconsistency among the different audit teams. We think we've gotten ourselves squared away and a new person comes in and tells us it's wrong.

SEA officials also complain that federal monitoring and enforcement fail to establish priorities among Title I program regulations. For example, even though the "supplement not supplant" requirement theoretically is the keystone of the Title I program, federal monitors allegedly devote inordinate attention to trivial cases. The result is that they reportedly become absorbed in what one SEA official called "dickey-do stuff" that has little to do with general state and local compliance or with the effectiveness of Title I practices. (This SEA official was particularly irked by protracted debate over the legality of a summer school principal's being paid from Title I funds when a few non-Title I children were in attendance, and over how an LEA would ensure that equipment presently used for Title I eligible children would not, in the future, serve non-Title I students.) Another supposed consequence of federal monitors equating the important and the trivial is that SEA officials must follow suit and waste time double-checking petty items during monitoring visits. This practice, SEA officials argue, is a waste of scarce SEA resources and does little to ensure the integrity or quality of the Title I program.

Federal attention to "dickey-do stuff," SEA staff contend, is a perverse result of federal failure to modify the federal role in light of present Title I program realities at the state and local levels. To this point, Title I directors in all four of our significantly different sample states believe that the federal Title I role has become counterproductive, and urged increased federal attention to questions of program substance and quality. Title I directors in directive State A, strong-state's-rights State B, and local-control States C and D all argued for a stronger federal role in the development of better Title I projects. They believe that issues of compliance should no longer define the federal/state partnership. Compliance problems, in their view, have essentially been resolved and the program's legal structure is well integrated at the state and local levels. Consequently, they contend that the federal/state partnership should be redefined to emphasize the quality of local Title I efforts:

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[10] This problem was identified in earlier studies of Title I administration. See especially Goettel et al., and National Institute of Education, *Administration of Compensatory Education*, Washington, D.C., September 19, 1977.

> *State A:* "It's time for the feds to move out of regulation. They should be doing innovative, creative things that the states do not have the resources to handle. What we need is resource documentation and materials for classroom management. We need to know what's happening in other states and what materials are being developed. Our perception is very narrow—it's limited by geographic boundaries. The broader perception of federal program staff could guide our own research and development efforts. We would be very interested in the federal government taking a lead in disseminating this information nationally."

> *State B:* "There isn't much of a positive impact of federal program staff site visits or audit reports. They come in and do their checklists and so on, but they haven't seemed to have the time or interest to help us build a better program. I would like area desk men to share more about what other states are doing. I would also like them to come in and spend several weeks, where we could lay out the issues and have them respond with substantive help. Their checklist doesn't have much to do with what makes a program good; 80 percent is always okay anyway. Aren't we wasting a lot of time checking things that don't need to be checked and don't relate to program quality?"

> *State C:* "I think we're doing a good job with compliance. [The government's] concern with waste and abuse has pushed the program to the wrong focus. We need to swing back to concern for program quality. We need more program-oriented things from the feds. The feds need to encourage states to develop exemplary projects."

> *State D:* "I would like to see the feds get into more programmatic stuff. Over 80 percent of the regulations deal with regulations, not kids and program quality. And when the feds come in, they don't want to see the kids. I would want a federal role where compliance checks were taken care of by clerks in Washington and federal Title I staff come in to share ideas with us and look at our programs."

It appears, then, that relationships with federal Title I staff have stabilized after the uncertain and often stormy period that followed adoption of a vigorous federal emphasis on regulatory compliance. The objectives underlying this federal concern, SEA staff believe, largely have been met. Research supports this claim.[11] Where compliance problems occur now, our respondents contend, they are the result of misunderstanding or unanticipated events, not malfeasance. Further, they believe that today's compliance problems are marginal and usually do not result in local program operations contrary to Congressional intent. According to SEA staff, most local administrators want to operate a legal program, and understand Title I's objectives and regulations sufficiently well to be able to do so. Consequently, continued federal emphasis on detailed regulatory compliance, they believe, is inappropriate and unresponsive to current program needs. One SEA official complained that "The feds are wasting dollars—theirs and ours—through controls. They have come to believe that the process is the product. There certainly is no benefit to being good. We get nickeled-and-dimed to death just like every other state." Another Title I administrator compared the current federal Title I role to "the people who hide in the mountains until the war is over and then come down to kill the dead." Thus, although the states in our sample generally earn passing marks from federal monitors, they believe their current relationship with the federal government contributes by indirection to what they see as the most serious Title I issue, program quality. To address this concern, SEA staff argue, a new federal role is required that stresses program development and outcomes.

Implementation Problems

In general, the Title I program is running smoothly in our sample states, with regulatory routines and program purposes well institutionalized at the state and local levels. Still, respondents pointed to problems with specific program regulations, some of which are eliminated by the new ECIA, Chapter 1. The new legislation, however, together with changing local fiscal conditions, raises new and potentially more serious problems for state and local program staff.

In all four states, respondents pointed to the same Title I program regulations as problematic. Mentioned most frequently were problems with developing Title I secondary school programs, and in meeting the parent participation mandates specified by the 1978 ESEA amendments. Secondary school students are not interested in attending classes for which they receive no credit—but Title I secondary level programs that provide credit risk violating the "supplement not supplant" requirement. Title I officials in all four states find this a difficult predicament. ECIA Chapter 1 may help local officials address this issue. LEA administrators now have the option of developing service justifications for practices that under former Title I regulations would have appeared to supplant locally funded activities.

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[11] See, e.g., Goettel et al., and Kirst and Jung.

Parent involvement guidelines cause difficulty in their mandate to *elect* parent representatives. (One SEA official quipped that it must have been a typographical error, that Congress intended *select,* not elect.) Urban areas, according to respondents, "have enough problems getting parents involved, let alone elected." In rural areas, problems are even more severe, where parents are both physically and psychologically at some distance from the school. Rural areas, according to respondents, simply cannot find parents who are willing to stand for election. Consequently, in at least one state, SEA Title I staff effectively ignore this requirement. The Chapter 1 legislation effectively eliminates this problem since parent involvement is now only strongly urged, not required; the result will be a sharp drop in parent participation in the Chapter 1 program. By the report of state and local officials, energy and resources formerly spent to involve parents in Title I often were expended only because of compliance concerns. Parent involvement, then, will likely become a thing of the past.

Finally, respondents pointed to aspects of the 1978 amendments that have fallen short of their intended purpose. The schoolwide project concept, respondents agree, is commendable in principle but unworkable in practice. Excepting the urban recipient of State D's compensatory funds, respondents in our four states could think of no LEA implementing a schoolwide project. LEAs simply do not have the additional funds required by law to take advantage of this program option. In any event, the new law essentially eliminates this option.

Respondents also believed that Congressional intent to reduce paperwork in the 1978 amendments (and as continued in ECIA, Chapter 1) has not been realized, since auditing and targeting responsibilities require annual data collection and analysis. As one LEA official put it:

> The three-year application is ridiculous. We still have annual needs assessment, and annual eligibility calculations. We still have to rate and select schools to be served. The major part of the application is fiscal. We have to do the whole budget every year anyway. It's the same amount of work.

Interestingly, State A officials had a quite different criticism of Congressional efforts to reduce paperwork. The Title I director argued that reduced federal application and evaluation requirements undermined the state's position on data collection and quality control. State

A, accordingly, continues to require annual reporting. "How else," asked the Title I director, "can we control local quality?"

These specific implementation problems concern Title I administrators, but do not seriously compromise the integrity or purpose of the Title I program. However, SEA Title I officials in all four states believe that important implementation problems generated by changing local conditions and by the new Chapter 1 are on the horizon. Although no state or local respondent took exception to Title I's purposes and general program framework, all believe that many targeting and accounting requirements are disfunctional in light of fiscal retrenchment and enrollment decline. The Title I comparability requirement, for example, has begun to generate serious problems for local officials. In cities where a reduction in the teaching force has left a tenured, highly paid teaching staff, LEA officials have less latitude in assigning teaching staff. Since senior teachers are less apt to choose a Title I school, LEAs must spend extra funds to make Title I schools comparable. As one LEA official put it, "Everyone knows that seniority does not always mean better-quality teaching. I feel that dollars we are having to spend just to be comparable could be put to much better use for all our students, Title I and non-Title I." Desegregation activities also have exacerbated comparability problems. For example, in State C, new attendance boundaries drawn to integrate city schools resulted in "a host of insoluble comparability problems." Many district elementary schools are now organized on K-2, 3-5 groupings. According to LEA Title I staff, the quality of programs at the primary centers has been jeopardized by their mandated comparability to services offered in the higher grades. In particular, the smaller class sizes and greater use of aides at the primary level made these services noncomparable to services in the 3-5 schools. As a result, aides had to be pulled from the primary grades and put into the higher grades to achieve comparability. One local Title I director estimates that primary grades were being penalized by this requirement at the rate of $10 per student. Local Title I directors also point to the comparability problems that arise as students transfer in and out of district schools:

> Once a school meets comparability in the beginning of the year, an increase (or decrease) of only a few children can throw the whole thing off. I would like to have, say, eight to ten percent latitude once comparability has been met. But because of these problems, I can't pay any attention to programs. I spend almost all my time on comparability and targeting issues.

In all four states, SEA Title I staff comment that, in the absence of extra local funds to round out comparability problems, their recommendations to local staff do not always constitute sound educational practice. As one Title I director commented:

> In order to comply with Title I regulations in current LEA fiscal circumstances, we have to start dividing kids into half-kids and fractions of dollars. This is particularly a problem in any big district where people resign and enrollment figures shift every day. Because of comparability, you have to manipulate people, pupils, and dollars and not always in ways that make educational sense.

In addition, particularly in State D where the percent of state contribution to local education budgets is declining, SEA Title I officials believe that maintenance of effort problems will become widespread and severe in the next few years.[12] State C's Title I director predicted, "If the feds don't change the regulations, the new commissioner will be doing nothing his first few years but determining maintenance of effort requests." Because of the time-consuming procedures for obtaining maintenance of effort waivers, SEA staff worry that local projects will experience substantial disruption in Title I services.

Declining local resources and student enrollment also raise questions of supplanting that did not exist a few years ago, since local budgets can no longer fund the same level or breadth of services for all students. These Title I allocation provisions, in short, have not kept up with the times. As school district budgets grew, it was possible to meet Title I guidelines without compromising the educational value of both compensatory and general education services. In many LEAs, our SEA respondents contend, this is no longer possible. In many districts, the assumptions underlying Title I's directive that LEAs provide compensatory services that "expand and improve" general education opportunities may no longer be valid. The general quality of regular district practices influences the effectiveness of Title I programs in that it provides the base upon which Title I must build. However, the current combination of multiple programs, unfunded requirements, and fiscal decline puts enormous strain on school district capacity. Many local officials claim that they are unable to maintain the quality of their basic instructional programs, and cannot find the money and staff to implement external requirements such as those imposed by desegregation orders or 94-142.[13] Thus the existing combination of program requirements and local financial strains may undermine the basic assumptions upon which the federal role in education, as well as Title I's strict targeting requirements, have been based. As one local Title I director put it, "What can Title

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[12] This prediction is reinforced by a recent Rand study that examined maintenance of effort responses across the country. See Gurwitz and Darling-Hammond.

[13] Kimbrough and Hill.

I do when the basic program is falling apart?" In a time of declining enrollments and fiscal retrenchment, respondents believe, the rigidity of Title I targeting and allocation provisions will begin to function at cross-purposes with broader Congressional intent—the provision of effective services for educationally disadvantaged students.

The extent to which ECIA Chapter 1 will address these and similar concerns is unclear. Ambiguous language and the unwillingness of ED staff to provide concrete interpretative guidance has left state and local staff uncertain about "legal" program activities under ECIA. While ECIA retains the old targeting provisions in broad outline, either because of drafters' oversight or Congressional interest in increased flexibility, ECIA Chapter 1 fails to include all the allocation guidelines included in Title I (e.g., the schoolwide projects provision) and adds a new targeting criterion. In addition to the former Title I provisions that permit funds to be allocated to attendance areas with the highest concentration of low-income families, or to all attendance areas of a district that have a uniformly high concentration of such children, Chapter 1 also allows that "part of the available funds" may be used for services "which promise to provide significant help for all such children served by such agency." This third allocation provision introduces considerable uncertainty. What is "part" and who are "all such children"? It is possible to interpret this language to permit the dispersion of Title I funds throughout the district, thereby undoing the past decade's effort to concentrate Title I funds. Further, if "all such children" is interpreted to mean children from low-income families, there is no apparent mandate to spend Chapter 1 funds on compensatory education. A district could choose, for example, to use these funds to provide computer literacy courses for low-income students.

To date, the Education Department has been silent as to whether old provisions intended to provide local flexibility but not mentioned in Chapter 1 still apply, or how LEA administrators should interpret Chapter 1's new targeting provision. The present vaguely stated legislation and absence of federal guidance leaves even Title I veterans uncertain about what they can "legally" do. They cast the same skeptical eye on this ostensible reduction in federal regulatory presence with which they viewed past policy changes, and suspect that "this too shall pass." A later change of federal mind, in their view, could generate disruptive and debilitating audit exceptions. As a California SEA official worried: "four or five years down the road a federal auditor is going to come into a state with his own notion of how the money should have been spent and make us repay a pot of federal money."[14]

Bureaucratic uncertainty over future accountability will almost certainly promote conservative administrative decisions about "allowable" Chapter 1 expenditures. The result in many cases will be Chapter 1 practices that are "safe" but also acknowledged as less effective—especially pull-out programs, fragmentation of resource use, lack of coordination between compensatory and general education programs, and isolation of Title I staff.

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[14] *Education Daily*, October 7, 1981, p. 1.

ECIA, in short, has rekindled a host of compliance concerns that had essentially been resolved over a long period of time for ESEA Title I. The confusion over ECIA Chapter 1 may well displace developmental attention in many SEAs and LEAs as administrators puzzle once again over "step one" of the implementation process: what is expected of them and what choices will pass compliance review. As a Florida SEA official put it, "We don't object to being held accountable, but we believe that we have to have the benefit of appropriate guidance and clear authority from the outset. We are afraid that too little regulation may be almost as bad as too much."[15]

Ironically, ECIA's loosening of Title I's regulatory framework and injection of ambiguity into the "rules of the game" may be the worst policy for federal compensatory education. Substantive program development can proceed only if procedural requirements are in place and clearly understood. Confusion about allowable practice is apparent now at both the state and local levels. Chapter 1's regulatory vagueness also undermines efforts to coordinate planning, assistance, and service delivery across programs since they, too, require clarity about permissible activities. Chapter 1's openendedness further undermines the position of compensatory allies. In the past, program advocates in indifferent or hostile settings could appeal to federal authority as justification for choices that forced broader system responsiveness to special needs students. It is no longer clear whether or to what extent this authority exists. ECIA Chapter 1, in short, leaves proponents of compensatory services in a weakened position. The observed uneven state commitment to the student group served by Title I demonstrates how clear program regulations are necessary if eligible students to receive entitled benefits. ECIA has weakened this "regulatory floor," making it more difficult for program proponents—particularly in states with little explicit commitment to the educationally disadvantaged—to maintain program integrity. State experience with Title I also demonstrates that regulation is a necessary but not a sufficient condition for program success. A focus on quality is crucial if "compliant" efforts are also to provide effective programs for participating students. ECIA does not address this issue.

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[15] Ibid.

SUMMARY AND CONCLUSIONS

Three themes stand out in our examination of Title I practices in four SEAs: the extent to which Title I is seen as an administrative, not an educational, problem; the program's administrative maturity; and the weak political support for compensatory education programs. At both state and local levels, the confusion (or resistance) of the early years over Title I as general or categorical aid has largely disappeared. Because compliance concerns dominate Title I practices, however, it is possible that the program's administrative maturity will be unable to serve as the foundation for additional program development, particularly now that ECIA has injected uncertainty into administrative decisions.

A major question motivating this study was the role of state-level factors in federal program implementation. To what extent do federal programs vary across states and how can these differences be explained? Although we observed state-level variation in the details of Title I administration, the overall answer for our sample states is that there are few state-level differences in Title I implementation that substantially affect local practice. States B, C, and D run virtually identical Title I programs. Although the regional structures of States B and C permit ongoing contact between LEAs and SEA Title I staff and thus prevent compliance concerns from becoming compliance problems, the regulatory or administrative concerns that dominate these regional interactions do not necessarily lead to better Title I programs. And while this regional structure unquestionably eases the local administrative burden, it is not clear that it promotes significantly more compliant projects. Title I officials in all states comment that the fundamental purpose and central regulations guiding Title I are well integrated at the local level.

Only in State A is the Title I program significantly shaped by state-level factors. State A is able to impose its signature on Title I because of its traditionally strong and directive relationship with LEAs. The distinctive features of State A's Title I program represent general SEA goals and priorities incorporated into Title I's regulatory framework. In particular, SEA commitment to coordination underlies the required Title I unified application; explicit state-level concern about questions of program quality has supported SEA Title I staff attention to local project design and outcomes and to insistence on project modification where promise or positive outcomes are not evident. In State A, then, the larger SEA role supports the use of regulation to direct local attention to state-identified priorities and notions of more effective Title I practice.

The regulatory posture that presently defines Title I is inconsistent with the broader SEA role in States B, C, and D. Although State B has the potential to exert substantial control over local practice, the SEA has chosen to use assistance, not direction, to encourage better local practice. States C and D, too, have identified assistance as the dominant factor in SEA relations with local districts. But in these states, this choice was a question of political feasibility rather than administrative taste. The strong local control ethos in States C and D makes assistance the only politically acceptable mode of SEA involvement in LEA activities. However, since regulatory responsibilities consume the lion's share of SEA Title I administrative resources, and federal emphasis makes compliance ascendant, program staff in these states have been unable to develop SEA Title I implementation strategies consistent with the SEA's broader role. To do so would require greater SEA resources and capacity. None of these states possess the institutional commitment to the educationally disadvantaged to make this contribution. All three define their SEA mission exclusively in terms of general education. Categorical requirements, such as Title I's, conflict with local control norms, or, in State B, with the educational philosophy of SEA leadership. State-level commitment to Title I objectives exists only in State A, where broader SEA resources have been marshalled to shape Title I implementation. In our other sample states, Title I remains effectively a federal effort where state factors contribute little to the differential effectiveness of local Title I projects. The lack of variation seen in three of our sample states demonstrates the extent to which Title I regulation has become the Title I program, absent state investment in Title I goals.

In the 1978 Title I reauthorization hearings, Congress noted that "Title I has matured into a viable approach to aiding the disadvantaged."[16] Indeed, as we have discussed, Title I's administrative maturation is evident across our very different sample states. However, implementing Title I programs consistent with Congressional intent is a *two-step process*. First, state and local project activities must be administered in accordance with federal regulations. Second, effective practices must be developed to address the needs of target students. Evidence from our sample states suggests that continued strict attention to the compliance activities necessary for accomplishing the first implementation step may well impede the ability of state and local education agencies to address the second, promoting program quality. ECIA's ostensible "flexibility" is unlikely to provide the necessary programmatic latitude for two different reasons: the regulatory conservatism associated with Chapter 1's ambiguity, and the weakening of regulatory protection for Title I programs in nonsupportive environments.

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[16] Committee on Education and Labor, U.S. House of Representatives, *A Report on the Education Amendments of 1978, H.R. 15*, House of Representatives Document 95-1137, 95th Cong., 2d sess., Government Printing Office, Washington, D.C., May 11, 1978, p. 7.

The past exclusive federal focus on compliance issues dislocated program quality issues at all levels. Because of compliance concerns, local staff have been reluctant to try new approaches or to coordinate Title I and other educational services. The State A Title I director commented, "Look at the incredible stability of local Title I projects. It's not because they're good; it's because it's too much hassle to change when you've already got a compliant project."

The displacement of quality concerns by compliance issues is also striking at the state level. In all four sample states, Title I directors believe that much more attention needs to be paid to the substance and effectiveness of local programs—that it is no longer enough simply to be "legal." All can point to local projects that are compliant but educationally ineffective; however, all contend that their present regulatory responsibilities prevent them from providing the technical assistance necessary to encourage local project quality. And, paradoxically, because compliance concerns dominate, current SEA technical assistance is not what Congress intended. A substantial portion of that assistance focuses on program administration and regulation, not on better classroom or school building practices. ECIA's reduction of the state share of Chapter 1 funding to 1 percent from the 1.5 percent allowed under Title I will reduce even further state capacity to focus on quality. Similarly, ECIA's ambiguous legislative language and ED's silence about allowable activities, a posture that is consistent with the Reagan administration's insistence on a reduced federal regulatory role, has served to exacerbate not diminish the compliance concerns of the past. In the short term, this uncertainty can be expected to promote regulatory conservatism in many states and school districts. In the long term, if the present passive federal role continues, ECIA most likely will weaken the regulatory protection that has strengthened the integrity of the Title I program over time. State and local Title I proponents have argued for regulatory latitude about *how* compensatory services are provided to educationally disadvantaged students, not for relaxation in assurances that funds are used to benefit eligible children. ECIA Chapter 1's ambiguity, together with the general weak commitment of many states to low-income students, can be expected to result in diluted services for this target group. The consequence of this service dilution becomes even more serious in the face of significant dollar reductions in federal support for compensatory education. Even where state commitment exists, states cannot afford to replace these lost federal funds. Eligible children can only expect to receive less in the future.

Chapter 5

THE STATE ROLE IN HANDICAPPED EDUCATION

INTRODUCTION

Handicapped education differs from Title I and state compensatory education programs in several important ways: It is more visible to general state government and, consequently, more politicized in its administration. Programs for the handicapped also command a greater proportion of SEA resources, and currently present state agencies with some of their greatest management problems.

Several reasons exist for these differences. First, the federal handicapped program (94-142) is both redistributive and regulatory in its intent. It provides state and local districts with financial support for handicapped education activities but, in conjunction with Sec. 504 of the 1973 Rehabilitation Act and numerous judicial mandates, 94-142 also strongly regulates state and local behavior. Second, 94-142 is a newer program than Title I, and many of the implementation difficulties 94-142 is experiencing are similar to those that occurred during the early days of Title I. While this suggests that some of 94-142's problems will be resolved as part of the natural policy maturation process, the program will likely continue to experience major difficulties. Title I was initially implemented in a time of public sector growth; 94-142 comes during a period of fiscal retrenchment. Title I also does not require a major state or local financial commitment in the way that the regulatory apparatus surrounding 94-142 does. Finally, 94-142 exists in a political context very different from that of Title I. The federal government led the states in compensatory education programs and states that have since initiated such programs were prompted by Title I. Compensatory education's constituency is stronger in Washington than it is in most states, and state-level advocates usually represent professional, not client groups. Handicapped education, on the other hand, had its roots in state law rather than federal law. Although states strengthened their handicapped education statutes in response to 94-142, many already had articulated at least some commitment to handicapped students in earlier laws. As we noted in Chap. 1, political support for handicapped education is as strong in most states as it is at the federal level. These two factors combine to make handicapped education more of a state-level policy issue than compensatory education has ever been.

Despite these differences, however, state-level implementation of 94-142 resembles Title I in one very important way. In their program activities, three of the four states in our sample stress local compliance, rather than program quality or institutional capacity. As we will see, this emphasis is largely dictated by federal requirements and their emphasis on process, rather than program substance. The need to make certain that previously unserved children are diagnosed and then provided with services also legitimately requires that SEAs place a major emphasis on compliance. Still, this approach has meant that little attention is paid to the appropriate match between a student's handicapping condition and the service he or she receives. It also has resulted in handicapped students being mainstreamed into regular classrooms with little teacher preparation or training beforehand.

This chapter examines these problems as part of an analysis of 94-142 and state programs for the handicapped. Although most of the chapter focuses on state-level implementation, it begins with a discussion of the federal policy context and how it influences state actions. In examining the state level we will analyze how the larger political system, particularly state political culture, constrains SEA activities and how factors internal to the agency, such as organizational structure, shape SEA response to 94-142. Particular attention will be paid to how 94-142 has affected the relationship between SEAs and local districts and between special education and the rest of the SEA.

THE FEDERAL CONTEXT

As part of their study of 94-142's implementation in one urban school district, Erwin Hargrove and his colleagues analyzed the program's legislative history.[1] Their discussion provides a good sense of the federal context from which states have taken cues about how the law should be implemented. Four years after the legislation was first introduced, both houses of Congress overwhelmingly passed 94-142 in 1975, despite the Ford Administration's concern that the bill was promising more than it could realistically deliver.[2]

Besides strong Congressional support for its passage, 94-142 is also notable for its precise legislative language. As Hargrove indicates, 94-142, unlike many other education laws, is specific enough to permit a high degree of correspondence between statutory language and administrative regulations.[3]

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[1] Erwin C. Hargrove et al., *Regulations and Schools: The Implementation of Equal Education for Handicapped Children*, Institute for Public Policy Studies, Vanderbilt University, Nashville, Tennessee, March 1981, Chap. 1.

[2] *Congressional Quarterly Almanac, 1975*, Congressional Quarterly Service, Washington, D.C., p. 656.

The driving force behind 94-142 was a coalition of handicapped education interest groups led by the Council for Exceptional Children (CEC) and also including the ARC, the Children's Defense Fund, and the American Coalition of Citizens with Disabilities. These groups presented the legislation to Congress as an extension of civil rights protections to a previously neglected segment of the population.[4] Another strong argument in the bill's favor was the belief that it would provide funding to states and school districts already under court order to serve the handicapped.[5] Although most participants realized that actual appropriations would never reach the authorized level (40 percent of excess costs by 1982),[6] the assumption was that federal legislation would ease the state and local burden.

In retrospect, it seems that Congress did not clearly foresee the consequences of its actions. Packaged as a civil rights measure, 94-142 had no organized opponents and few members of Congress wished to be in the position of appearing to deny basic civil rights to the handicapped. As Hargrove and his colleagues note, members of Congress viewed 94-142 as non-zero-sum legislation which conferred a benefit on one group without hurting any other group.[7] However, the scope and specificity of the legislation, coupled with fiscal retrenchment, has meant that gains for the handicapped often come at the expense of educational services for other groups.

Another interesting aspect of 94-142 is its emphasis on process rather than the substance of handicapped education, one obvious reason being its initial formulation as civil rights legislation. Despite the law's specificity, emphasis was placed on equal access and due process, rather than on the services to be delivered. Another important reason for this emphasis was the scanty knowledge about effective education for the handicapped at the time 94-142 was enacted. For example, much of the research on TMR students had been conducted in highly structured university settings, so its broad applicability in public school classrooms was largely unknown. Research on mildly handicapped students showed little educational effectiveness for those in special classes, but the social consequences for students in these classes were more positive than for those mainstreamed into regular classrooms. Yet this lack of consensus about how to educate the mildly retarded was rarely acknowledged during Congressional hearings on 94-142. The argument for a least-restrictive environment, regardless of handicapping condition, was based not on educational effectiveness but on the traditional civil rights position that "separate is not equal." Thus, Hargrove and his colleagues conclude:

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[3] Hargrove et al., p. 218.

[4] Ibid., p. 18, and John C. Pittenger and Peter Kuriloff, "Educating the Handicapped: Reforming a Radical Law," *The Public Interest*, No. 66, Winter 1982, pp. 72, 75.

[5] At the time 94-142 was enacted, the most significant judicial decisions in the area of handicapped education were *Pennsylvania Association for Retarded Children (PARC) v. Pennsylvania* in 1971, and *Mills v. Board of Education* in 1972. Both these decisions required that an appropriate education be provided all children regardless of mental, physical, or emotional handicap. In addition, the *PARC* consent decree was largely based on model legislation developed by CEC and now embodied in 94-142.

[6] Part B, Sec. 611 of 94-142 authorizes federal grants as a percentage of the average national per pupil expenditure. This allocation formula was used because, at the time 94-142 was enacted, adequate data did not exist on the costs of special education. The best estimate was that, on average, educating a handicapped student costs twice as much as educating a nonhandicapped one. Hence, average per pupil expenditure was made a proxy for excess cost.

[7] Hargrove et al., p. 218.

> The legislative history of P.L. 94-142 indicates that the law was viewed as an important symbol by its supporters, representing a national commitment to the constitutional rights of handicapped children. There is, however, a great deal of uncertainty regarding the educational theory and practice necessary to deliver on this commitment. The issues of implementation arising from this uncertainty were addressed primarily by resorting to administrative and procedural requirements. This necessarily entails a federal role that emphasizes uniform compliance. There is little guidance in the legislative record on questions of organizational change and effective service delivery, especially in regular public schools.[8]

In sum, as states looked to the federal government for cues about how to implement 94-142, they saw four major factors shaping their actions. First, unlike the earlier ESEA Title I legislation, the statutory language of 94-142 is clear in its intent and quite precise in its language. Although states would later find phrases such as "related services" difficult to interpret, they realized that Congress assumed a fairly uniform compliance standard could be achieved nationally. Hence, states saw little flexibility in how they implemented requirements for individualized education programs (IEPs), due process, and state monitoring responsibilities.

A second fact that states had to face was that 94-142 is both a grant-in-aid program and a civil rights statute. Consequently, they had to expect directives and compliance monitoring from both ED's Office of Special Education (OSE) and the Office of Civil Rights

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[8] Ibid., p. 26.

(OCR).[9] The inability of these two agencies to coordinate their own activities until quite recently has meant that state implementation and enforcement processes have been further complicated.[10]

Third, states also recognized that the impetus for 94-142 came from client groups, not from the service providers like themselves who would ultimately be charged with implementing the program. From the state perspective, this implied that client groups would continue to play a major role in the implementation process at both the federal and state levels. In practice, it would mean that federal compliance standards would be more rigorous than if provider organizations were the primary reference group for OSE and OCR. It would also mean that state advisory councils would be more active in program implementation than is usually the case.

Finally, 94-142, coupled with the requirements of Sec. 504 and various judicial mandates, meant that states needed to bring their own laws into conformity with the federal law. In addition, the configuration of federal mandates necessitated significant new state spending for handicapped education, regardless of federal funding levels.

Perhaps more than any other federal education law, 94-142 conveyed very clear and strong signals to the states. It had to be taken seriously; the federal government expected faithful implementation as defined by a set of compliance standards; and regardless of their traditional relationships with local districts, SEAs needed to move districts in a major new direction.

The next section describes state-level implementation of 94-142 and discusses similarities and differences among our four sample states. We then assess the significance of various state and federal factors in explaining the implementation outcomes we observed.

STATE-LEVEL IMPLEMENTATION

The four states in our sample differ in the proportion of students classified as handicapped and in the ratio of state to federal funding for handicapped education. At the same time, many SEA activities in handicapped education are quite uniform from state to state, and all four share similar problems in their relationship with the federal government. Despite the overwhelming influence of federal mandates, however, some SEA special education activities are consistent with the larger political culture and the agency's traditional relationship with local districts. This is particularly evident in the way SEAs approach their monitoring responsibilities and in how they allocate 94-142 discretionary funds.

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[9] OSE has since been reorganized and is now called the Special Education Program (SEP). However, since it was known as OSE at the time of our fieldwork, we refer to it as such.

[10] For a discussion of these issues, see Council of Chief State School Officers, *Policy Statement on Implementing 94-142*, August 1980, and *Education Daily*, October 29, 1980, p. 3.

All except State D had a state law mandating educational services for handicapped children prior to the passage of 94-142. However, none of these state laws required IEPs or included due process requirements as strong as those in 94-142. State D provided support for the education of children with some handicapping conditions, but not others. In fact, as late as 1969, TMR students could be excluded from local schools under State D law. Despite varying levels of prior commitment to handicapped education, then, all four states in our sample had to revise their state laws in response to 94-142. Presently, these laws are quite similar and are at least as comprehensive as 94-142, with some provisions even stronger than those in the federal law.

During the Congressional hearings prior to the passage of 94-142, OSE officials estimated that 12 percent of the nation's school-age children needed some type of special education. This figure was then included in the 94-142 legislation as an upper limit on the proportion of students who can be counted eligible for 94-142 funds.[11] In practice, however, the 12 percent figure has become a goal that states are expected to approach in their own child-counts. There is now considerable evidence that 12 percent may be an overestimation of actual incidence rates, and even such advocacy groups as CEC are no longer pressing this goal.[12] Still, states believe they must defend or explain their own incidence rates since so few approach 12 percent. As of the 1979-80 school year, the states in our sample provided handicapped education services to the following proportions of students:[13]

State A, 06.3 percent
State B, 08.6 percent
State C, 11.7 percent
State D, 08.8 percent.

State A's incidence rate is lower than the others because it chose to serve learning disabled (LD) students under the state's compensatory education program. The state argued that LD students receive basically the same services as compensatory education students, and acknowledged that classifying them as handicapped would increase state costs since handicapped students are weighted more heavily in the state aid formula. The state also argued that 94-142's due process requirements would greatly increase state and local costs if LD students were reclassified, particularly since almost 25 percent of the handicapped students in the state's largest city are learning disabled. Parent groups did not accept this argument and filed suit against the state. State A is now under court order to reclassify its LD students as handicapped. The state's incidence rate therefore will increase considerably as these students are given IEPs and placed in special education programs.

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[11] P.L. 94-142, Sec. 611(a)(5)(A)(i).

[12] Geoffrey O'Gara, "Where are the Children?: The New Data Game at HEW," *The Washington Monthly*, Vol. 11, No. 4, June 1979, p. 37.

[13] These percentages represent the total number of students identified as handicapped and reported in the states' 1980 94-142 state plan, divided by total elementary and secondary enrollment. Since State D did not include such data in its state plan, the information was obtained during personal interviews with the SEA special education staff.

Our four states also illustrate various approaches to state funding for handicapped education. State A weights its student aid formula so that LEAs receive 2.7 times the regular student allotment for each handicapped student they serve. State B also weights its student aid formula at about 1.75 for handicapped students. State C's formula is cost-based and districts are reimbursed on a prior-year basis through six separate categorical programs. Districts receive funding for a certain proportion of the teacher salary, transportation, and nonpublic tuition costs incurred in educating handicapped students. State D pays 30 percent of the average excess cost for handicapped students and also funds regional education programs for the deaf, blind, and low-incidence handicapped. In terms of the amount of state funds spent per handicapped pupil served, State A is the highest of the four and ranks above the national average; States B and C are just at the national average; State D is among the lowest five states.[14]

Table 5.1 indicates the proportion of state and federal funds spent by each of the four states in 1979. Again, it shows a range of state effort.

SEA Program Activities

P.L. 94-142 requires that SEAs prepare a state program plan every three years, review child-counts and allocate funds to districts accordingly, establish and maintain due process procedures, monitor local districts to ensure compliance with federal regulations, and provide technical assistance to local districts. These federal requirements con-

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[14] Allan Odden and C. Kent McGuire, *Financing Educational Services for Special Populations: The State and Federal Roles*, Working Paper No. 28, Education Finance Center, Education Commission of the States, Denver, Colorado, May 1, 1980, p. 23.

Table 5.1

PROPORTIONAL DISTRIBUTION OF FEDERAL AND STATE FUNDING FOR HANDICAPPED EDUCATION, 1979-80

State	Percent of Total Federal and State Spending Federal Allocation (94-142, Part B Grant)[a]	State Appropriation
A	13.2	86.8
B	10.6	89.4
C	25.6	74.4
D	29.1	70.9

SOURCE: C. Kent McGuire, *State and Federal Programs for Elementary/Secondary School Students with Special Needs*, Education Commission of the States, Denver, Colorado, May 1981, pp. 16-17.

[a] This grant accounts for over 70 percent of federal spending for handicapped education, but other federal programs also provide funds. These include Title I state-agency handicapped grants, the Title IV-C and vocational education set-asides, and other provisions of 94-142 that provide funds for personnel development, regional centers, and early childhood education.

stitute the minimal set of activities that SEAs are expected to perform in implementing 94-142 and related state and federal programs. If an SEA chooses, however, it can go much further. For example, its technical assistance can extend beyond informing local districts about their responsibilities under 94-142 to questions of effective service delivery. An SEA can also take the lead in shaping handicapped education policy, especially if its division of special education establishes a good working relationship with the state legislature and the governor's office. As we will see, some SEAs, largely because of factors beyond their control, play a minimal role in handicapped education, while others define their responsibilities quite broadly.

State Program Regulations. All four states have taken the position that since 94-142 is so specific in its requirements, the SEA should not burden local districts with further state regulations. Nonetheless, each state has imposed at least one other major regulation and some have imposed several that shape and constrain local district behavior. These regulations are one way the states can express their own individual needs and priorities, despite the homogenizing effect of federal program regulations.

As part of their teacher certification responsibilities, all four states require that those teaching or delivering specialized services to handicapped students (e.g., speech therapy) be credentialed in special education. In this area, then, state regulations exceed those of 94-142, which does not deal with the issue of teacher qualifications. Three of the four states have imposed other regulations on local districts as well. State A has established class-size limits for handicapped education, and its requirements for members of local committees on the handicapped are more precise than the federal ones. State B has established class-size limits for special education classes.

State B is also one of the few states to mandate special services for gifted and talented students along the same lines as for handicapped students. For example, it requires an IEP for gifted and talented students and is currently spending more on gifted education than any other state in the nation. State B's mandate is a response to two political factors. Interest groups representing gifted students constitute a well-organized lobby in State B; and both the legislature and the SEA see the gifted program as a way to expand political support for all special education and thus make it politically easier to allocate increased funds for handicapped education.

The major regulation that State C imposes beyond the federal ones is a requirement that local districts spend 10 percent of their 94-142 grant on teacher inservice training. Local districts must develop a plan for inservice training that includes a needs assessment, procedures for providing such training, and a method for evaluating inservice activities. State C is thereby responding to one of the most pressing needs in handicapped education: preparing regular classroom teachers for dealing with handicapped students. As we will see in subsequent sections, the lack of this training is a major implementation gap in all four states. State C's SEA has also decided that a district set-aside, rather than SEA provision of such training, is more consistent with its organizational role. The special education division in State C's SEA defines its responsibilities as primarily policy development (designing legislative proposals, regulation writing) and regulation (reviewing local applications, district monitoring). In the division's view, it is more effective for the SEA to provide information about inservice resources, and for the regional service teams to broker such resources, than it is to provide inservice workshops and similar services directly to local districts.

State Program Plan. As a condition for receiving 94-142 funds, each state must submit a plan to the federal government outlining how it will administer the program and how 94-142 goals will be met (e.g., implementing the least-restrictive-environment provision and maintaining a comprehensive system of personnel development). As of FY 1981, this plan must be submitted once every three years. In her study of state-level implementation of 94-142, Margaret Thomas reported that the delays states had experienced in plan approval during the first few years of the program have now largely disappeared.[15] For the most part, this is also true for our sample. States now view plan development as fairly routine, and SEA staff are able to incorporate material from previous years' plans merely by updating it.

Still, some problems remain. One state complained that it had four federal state-plan officers in three years. This situation is further exacerbated because the state-plan officer is not a member of the federal compliance team that visits the state and monitors adherence to 94-142 requirements.[16]

Approval of State C's most recent plan was delayed several months because the federal government contended that the financial arrangements for students placed in private facilities violated the notion of a "free" education. However, jurisdiction over such matters in State C rests with an interagency board, not solely with the SEA. Consequently, the SEA was not in a position to modify these procedures to bring them into conformity with federal regulations. Only after several months of negotiations and the intervention of the governor's office could the SEA meet the federal government's requirements. This is a particularly clear example of where SEA authority is insufficient to meet 94-142 mandates. In the case of State C, there was sufficient interagency cooperation to achieve compliance, but 94-142 assumes a level of interagency cooperation that often does not exist in many states.

Despite more timely approval of state plans, respondents complained that the purpose of the plans is not well defined and that OSE mistakenly uses the plans as compliance documents. Representatives from all our sample states, except State D, recently participated in drafting a Council of Chief State School Officers' policy statement on 94-142. They recommended that the state plan be viewed as evidence of state commitment to 94-142 and an outline of procedures for meeting program goals, but should not be used to substantiate current-year compliance, particularly by local districts.[17] Respondents argued that the state plan is really a planning document that the state can use as a guide in its implementation efforts. At the same time, the state should be free to change its procedures if a better way is found to complete an activity, such as identification of handicapped children. Respondents also suggested that if the state plan itself complies with federal objectives, then the states should receive 94-142 funds. In this way, the state and all its LEAs will not be at the mercy of any local districts that may be out of compliance. In summary, the task of preparing the state plan is fairly routine for our sample states, but the functions the plan is designed to serve are still unclear.

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[15] Thomas, pp. 26-27.

[16] Thomas also found turnover among federal plan officers to be a problem in some states. Ibid., p. 26.

[17] Council of Chief State School Officers, p. 4.

Monitoring Local Districts. SEAs are expected to monitor local districts once every three years to assure their compliance with 94-142 requirements. Probably more than any other mandate except the basic one to provide an education for all handicapped children, this federal monitoring requirement has most constrained SEA activities. In fact, in State B it has seriously distorted the agency's traditional mission, and in State D the requirement has overwhelmed SEA staff capacity.

Given 94-142's emphasis on the process instead of the substance of handicapped education, state monitoring visits largely consist of reviewing local district procedures, but not actual program content. SEA staff check to see that IEPs are completed correctly and are on file for each identified child, that parental participation is adequate, and that student records are confidential. Basically, in their monitoring activities, SEAs are trying to hold local districts accountable for what the SEAs will, in turn, be held accountable by OSE.[18] Therefore, SEAs emphasize correct procedures rather than such issues as the appropriate match between diagnosis and the educational services a handicapped student receives.

Heavy monitoring responsibilities are most consistent with the traditional organizational role of State A's SEA. The SEA historically has imposed precise requirements on local districts, and State A districts are accustomed to being held accountable to these standards. Consequently, 94-142 monitoring is not a major departure for State A. Approximately 70 percent of the SEA's special education staff is engaged in full-time monitoring. Monitoring visits are thorough, with approximately one month of staff time allowed for each school district visited. This month includes time for SEA preparation, the actual visit, a written report, and negotiations with the district on a compliance timeline. In addition to school district monitoring, the SEA also checks all state institutions housing handicapped children, private institutions with such students, and all the state's intermediate units (allowing up to six months of staff time to review IU activities). State

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[18] Ibid., p. 34.

A informally withheld 94-142 funds from the state's largest city last year to try to force it to speed up the placement of students identified as handicapped. Aside from the placement backlog in urban areas and the problem of identifying learning disabled (LD) students mentioned previously, most districts in State A are in substantial compliance with 94-142's procedural mandates. However, as we will see in the next section, the state's emphasis on monitoring and compliance has come largely at the expense of needed technical assistance.

If State B were not constrained by federal guidelines, it would monitor only those districts from which the SEA has received parental complaints. Presently, less than 10 percent of the state's LEAs have had such complaints filed against them. Heavy monitoring runs counter to the SEA's traditional role and is done reluctantly. Of the 70 professionals in the division of special education, only four monitor districts on a full-time basis. Over half of the special education staff are engaged in full-time technical assistance activities. However, because only half the districts in State B had been monitored as of last year, technical assistance staff are required to undertake some monitoring responsibilities. Their visits are organized so that they do not monitor the same districts for which they provide technical assistance. Client groups in State B complain that because the SEA deemphasizes monitoring, local districts are not as compliant as they ought to be. Currently, the major compliance problems in State B have to do with the provision of adequate services in rural areas, a disproportionate number of black students in educable mentally handicapped (EMH) classes, and a corresponding preponderance of white students in LD classes. However, State B's SEA has chosen to address these problems through increased technical assistance rather than more intensive monitoring. The state has never withheld 94-142 funds from a local district and is unlikely to do so in the future. The director of technical assistance noted that the division director would require SEA staff to live in a district for several months to help correct its problems before he would withhold funds.

State C's approach to 94-142 monitoring resembles State A's. About 70 percent of its special education staff spend their time on local district monitoring and other aspects of compliance, such as local plan review. The SEA has also withheld 94-142 funds from two district consortia for several months to force their compliance with program mandates, although such actions run counter to State C's strong local control ethos and to the SEA's emphasis on technical assistance. The director of special education is committed to a strong regulatory approach, however, and has the backing of handicapped education client groups. The result is that federal program requirements, in concert with strong state leadership, make handicapped education unique among State C's SEA programs.

State D illustrates the effect of treating all states uniformly in federal regulations. State D's division of special education has only 9.5 professionals on staff, who must monitor about 100 local districts each year. This contrasts with State B, where fewer than 50 districts have to be monitored with seven times the professional staff. Obviously, with a much larger student population, State B has many more handicapped students and thus, in one sense, a heavier workload than State D. But State D, with far fewer staff resources, must prepare a state plan and monitor local districts on the same timetable as larger states—requirements that have been almost paralyzing. Initially, the SEA contracted with a research center at the state university to undertake local monitoring responsibilities.[19] However, the state paid for these services out of its 94-142 discretionary funds and this year the federal government ruled that such activities must be funded from the 5 percent state administrative set-aside. Because the SEA could not afford such a change, all the special education staff, including the director, are now engaged in almost full-time monitoring. Not only must the staff monitor 100 districts each year, but their visits need to be scheduled so that travel to rural, mountainous parts of the state is completed before the winter snowfall makes the area impassable. For State D, then, the result of this federal requirement is an overburdened staff that can only treat local monitoring like a bookkeeping procedure. As one staff member described the monitoring process, "It's a paper and pencil job on paper and pencils." Besides reduced staff morale, the overall effect has been to decrease seriously, if not entirely eliminate, SEA technical assistance to local districts.

Clearly, monitoring is necessary if the service mandates of 94-142 are to be met. There is sufficient evidence to indicate that some local districts might refuse to serve the low-incidence handicapped or the severely mentally retarded if federal requirements were weakened or state monitoring minimized. But the experience of our sample states suggests that major trade-offs can result, particularly when SEA capacity is seriously strained by federal monitoring requirements.

Technical Assistance. Local districts need various kinds of assistance in implementing 94-142. We have already mentioned inservice training for regular classroom teachers. Other needs include assistance in identifying certain handicapping conditions, particularly those for which diagnostic criteria are not well established (e.g., some learning disabilities); ways to inform parents and encourage their participation in the IEP process; and the provision of educational and related services to the low-incidence and severely handicapped. All four of our states provide some type of technical assistance to local districts, with funds coming from the discretionary portion of the state's 94-142 VI-B funds, from VI-D grants, and from state sources. State B delivers technical assistance directly; the other three states fund intermediate units or outside agencies such as postsecondary institutions to perform these tasks.

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[19] The monitoring teams were composed of graduate students, and several problems resulted from their status and behavior in local districts. Not wanting to offend district officials in face-to-face contact, the monitoring teams told LEA staff during exit conferences that their district complied with 94-142 requirements. However, the university teams then reported numerous violations to the SEA, causing districts to be surprised and angry once they received written reports some six to nine months after the monitoring visit.

With perhaps the exception of State B, however, the states in our sample are much more effective in monitoring than they are in delivering technical assistance. This imbalance is largely due to the federal emphasis on regulation and compliance, but is also an artifact of 94-142's natural development as a federal program. In the first five or six years of any program, we would expect to find staff absorbed in institutionalizing compliance and reporting mechanisms, with lesser attention to program substance. Even in that period, however, technical assistance is necessary. As one official in State B asked rhetorically, "What are you going to do after you find noncompliance?" Clearly, the state has an obligation from the outset to provide local districts with the resources they need to achieve compliance. The SEA task, then, is to find some way to provide at least a modicum of technical assistance in the midst of its monitoring responsibilities. All four of our states have confronted this dilemma, some more successfully than others.

State A's major inservice effort is implemented through a network of regional and local training centers, many of which operate as part of the state's intermediate unit structure. These centers lend resource materials to teachers and parents and also run training workshops for local boards of education, parents, administrators, and classroom teachers. Workshops for teachers are often held in the evening and are quite comprehensive, usually meeting for several hours each week for 10 to 15 weeks. Outside experts discuss various handicapping conditions and how children with such disabilities can be mainstreamed into regular classrooms. General topics such as working with poor readers, motor development, and arts education are also covered. The workshops are free to teachers, but they are not paid for attending. Unfortunately, these training sessions are but a drop in the bucket. Four years after 94-142's implementation, less than 2 percent of State A's teachers have attended such workshops. Less comprehensive training has also been provided to school board members and local committees on the handicapped. Over half the local boards in State A have had some of their members briefed on state and federal handicapped education laws and their requirements. About one-third of the committees on the handicapped have received some training on due process procedures. The SEA has also prepared a series of booklets for teachers, parents, school board members, and committees on the handicapped. These booklets are clearly written, and the one for parents is printed in several languages. SEA staff, intermediate units, and various parent advocacy groups have distributed the booklets throughout the state.

SEA monitoring staff also provide some limited technical assistance in the course of their local district visits. For example, if a district's IEP form is not particularly good, they ask if the district would like to see forms designed by other districts. On a very limited basis, monitoring staff also provide inservice training on topics that are directly related to monitoring (e.g., diagnostic testing).

The technical assistance provided in State A is mostly effective, but clearly not enough of it is provided. The state has committed a large proportion of its discretionary funds to preschool projects run by LEAs and to special aid for the state's largest cities. Both of these purposes are current state priorities and are consistent with federal legislative and judicial mandates; consequently, more money for training is unlikely to come at the expense of these competing priorities. One alternative is to sponsor less comprehensive teacher workshops so that more teachers can be reached initially. There are obvious drawbacks to such an approach, but it may be the most feasible one until a majority of the state's teachers are familiar with the basic practices required by 94-142. Another alternative for State A is to spend less of its 94-142 administrative monies on monitoring activities and more on technical assistance. While less frequent district visits are not an option under federal guidelines, less thorough ones are. Monitoring staff report that with a few major exceptions, most districts have met minimal requirements, so a shift from monitoring to more technical assistance may be a natural progression for State A.

State B's technical assistance is delivered directly by two types of SEA staff: 13 specialists in specific handicapping conditions who work out of the SEA's central headquarters, and about 30 generalists who operate out of the state's regional offices. Central office staff visit about 70 percent of the state's school districts each year to help them identify handicapped children, write IEPs, and conduct inservice workshops. State funds pay substitutes' salaries and participant travel expenses. The workshops last one and a half to three days, and deal with identification of handicapped children and how to teach them in regular classrooms. Using state funds, the SEA held 21 such workshops this past academic year and will hold several more summer workshops paid for with federal funds. With this strategy, about 10 percent of the state's classroom teachers have participated since 94-142's initial implementation.

In response to pressure from State B's ACLD chapter, SEA staff are also sponsoring nine workshops for parents of LD children. In the past, similar workshops have been held for parents of children with other types of handicapping conditions.

In addition to the technical assistance provided by the central office staff, three to five staff in each of State B's regional offices regularly provide assistance in handicapped education to local districts. These staff primarily respond to district requests—often for help in preparing an individual IEP or locating appropriate services for a child. Regional staff also specialize; for example, one member might work with special education teachers and another on materials development. The entire regional staff also provides both formal and informal inservice workshops on an as-needed basis to local districts—assistance that is particularly important in the rural areas of State B. There, districts often lack the staff expertise to diagnose some handicapping conditions and then provide appropriate services. Consequently, they need SEA staff either to assist them directly or to link them with available resources. Regional center staff consume the bulk of State B's discretionary 94-142 funds.[20]

State B's system of technical assistance in handicapped education reflects the SEA's overall priority in this area. Because such an emphasis means that monitoring has been downplayed, it is possible that compliance is less extensive than in our other sample states; on the other hand, through its technical assistance State B may be able to bring districts into compliance faster than other states where the resources to remedy district violations are less widely available.

State C's technical assistance comes largely through the mandated LEA set-aside for inservice training and from five staff members who are now assigned to the SEA's regional service teams. The only direct training the SEA provides is on the low-incidence handicapped, although it contracts with other institutions such as colleges and universities for some inservice training.[21] However, the SEA does help local districts identify training resources and then monitors LEAs to make certain that they provide inservice activities in accordance with the plan they submit to the SEA.

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[20] Unlike the other three states in our sample, which pass through only the required 75 percent of the state's 94-142 grant to local districts, State B passes almost 95 percent directly to LEAs.

[21] Like State A, State C has also prepared some booklets that discuss topics such as least-restrictive environment in a clear, nontechnical format.

Because handicapped education staff were not added to the regional service teams until November 1980, it is too soon to assess their impact. However, their announced purpose addresses one of the major problems in 94-142 program administration: following up on districts that are found out of compliance with federal and state requirements. Regional service staff will now be able to focus on these districts and help them remedy violations before follow-up monitoring occurs. In addition, with an explicit handicapped education component on regional service teams, districts will become accustomed to requesting this type of assistance from SEA technical assistance staff.

The extent of technical assistance in handicapped education available from State C is less than that provided in either State A or B. With the addition of the regional service team staff, however, that capacity is now increasing. State C's overall strategy is also consistent with the state's strong local control ethos. Districts are required to provide teacher inservice, but have the option of providing it in whatever manner they feel is most appropriate. In addition, such an approach is likely to reach more teachers if districts implement inservice training concerning handicapped students as part of their overall inservice agenda.

As part of its required comprehensive plan for personnel development, State D spends about 20 percent of its discretionary VI-B funds on teacher training. The SEA does not provide this service directly, but rather issues requests for proposals (RFPs) to such organizations as school districts, intermediate units, and postsecondary institutions. Inservice training is thus provided by these institutions on a competitive basis. Workshops have been held for surrogate parents, hearing officers, school administrators, and school nurses.

State D is also in the third year of a VI-D grant that has been used to train about 60 teachers for several weeks each summer. These teachers receive updated training regularly throughout the school year and are then expected to conduct similar workshops in their own districts. This is an efficient way to approach inservice training, since the SEA lacks the resources to deliver these services directly or the authority to mandate that local districts provide such training themselves. Of course, the SEA must still rely on LEAs to pay substitutes' salaries while teachers attend the workshops and to sponsor the local workshops directed by the state-trained teachers. This training also will no longer be provided once State D's VI-D grant ends.

A recent survey of over 700 teachers in State D's largest metropolitan area found that 40 percent of the elementary teachers and 57 percent of the secondary teachers had received no training at all on implementing 94-142. About one-third of the elementary teachers and over two-thirds of the secondary teachers felt they were unprepared to identify children who may qualify for services under 94-142. A much larger proportion (over 75 percent on some items) felt unprepared to use an IEP as an instructional guide, to interpret diagnostic information about handicapped children, or even to assist in preparing an IEP.[22] Like the other states in our sample, State D has huge unmet teacher training needs.

The fixed costs of complying with 94-142 requirements mean that State D can provide only cursory technical assistance. On the other hand, the state's intermediate units constitute an alternative structure for delivering such services. However, the SEA has no control over these units and the scope and quality of their services vary greatly. Some intermediate units provide a full range of services for every handicapping condition, including diagnosis and testing, related services such as speech therapy, special classrooms in local district schools, and teacher inservice. Other units, however, provide just a few services for only three or four handicapping conditions. Therefore, unless State D establishes a uniform network of intermediate units, these institutions are an unreliable source of technical assistance in handicapped education.

Since so many of State D's LEAs are small,[23] the SEA also provides another form of technical assistance by funding 23 regional programs for students with different handicapping conditions (blindness, deafness, autism, neurological handicaps, and severe/multiple handicaps). These programs consume about 60 percent of the state's discretionary VI-B grant.

Like our other sample states, State D has issued several informational papers for local school districts,[24] but these papers are more technical and less readable than those developed by the other sample states. They were designed primarily for district administrators and are of little use to parents and classroom teachers.

In sum, all the states in our sample recognize the importance of technical assistance, particularly in preparing regular classroom teachers for their new responsibilities. Yet, a vast majority of the teachers in all four states have not been adequately briefed on 94-142 requirements and their implications for classroom practice. Only State B has sufficient SEA staff available to provide technical assistance on an ongoing basis and in response to specific district needs. State C's required LEA set-aside and State D's attempt to train teachers who can then train colleagues in their own districts are both good ideas and are consistent with each state's political culture. But the imbalance between monitoring and technical assistance is unlikely to be redressed until the states perceive that the federal government and handicapped education groups are willing to accept such a change.

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[22] This survey was conducted by a school district consortium in the metropolitan area.

[23] Only 30 percent of the districts in State D are large enough to meet the federal requirement that only districts receiving more than $7500 in 94-142 funds can apply on an individual basis. The remainder of State D's districts must apply as consortia.

[24] In preparing and printing these papers, SEA staff were assisted by the 94-142 funded regional resource center in their area. SEA staff in State D were complimentary of the center and viewed the federal money as well spent. SEA staff in State A, however, were critical of the center in their region and judged it unresponsive to SEA and LEA needs. Since we did not examine these centers, we do not know whether these differing opinions result from varying center quality and orientation or from the differences in organizational development and resource level of State A's and State D's SEAs.

Policy Leadership. Beyond fulfilling their mandated responsibilities, SEA divisions of special education can also take the lead in articulating distinct policy positions and serving as a focal point for other actors interested in influencing handicapped education policy. Above all, SEA directors of special education can attempt to shape their own programs, at least partly independent of federal requirements. Three of the four SEAs in our sample do this in varying degrees. The director of special education in State A is a lawyer who previously worked for one of the state's most influential politicians. The director is a strong, articulate leader who enjoys the unqualified support of the CSSO. He has very clear ideas on how handicapped education should be managed and what should be expected of local districts. Client groups in State A are somewhat distrustful of him, however, and label him politically ambitious. At the same time, they acknowledge that he has helped make handicapped education politically visible in State A.

His counterpart in State B is much more low-key, but SEA staff and client groups alike characterize him as effective and responsive. Together with the CSSO and his deputy, the special education director has been particularly effective in obtaining increased funding from the legislature for handicapped education. Even when client groups have disagreed with him, they have found him responsive and willing to compromise. The directors in both State A and State B have set a definite tone for their programs and each has done more than merely react to federal mandates.

The directors in States C and D are less visible, even to handicapped education constituents. However, the director in State C works closely with the coalition of handicapped education groups and regularly joins them in lobbying the legislature for increased handicapped education funding. Until recently, he had successfully kept all his administrative funds within the special education division despite its obvious links with other parts of the agency. In this way he was able to maintain a more regulatory focus in handicapped education than the rest of the SEA has. As we will see in the next section, the director's autonomy has somewhat diminished with the coming of a new CSSO. The subsequent addition of five 94-142-funded positions to the regional service teams has given the program less of a regulatory focus.

SEA leadership of handicapped education in State D can only be characterized as weak. The director of special education's presentations before the legislature are lukewarm at best and he has never made a strong case for increased funding. In fact, the chairman of one legislative finance committee noted that the director of special education will not even appear before the legislature unless that body requests it. Given this leadership vacuum, client groups and sympathetic legislators must shape handicapped education policy without SEA participation. As a result, the SEA's behavior is entirely reactive, not only to federal mandates but also to state policy.

Clearly, it is easier for the directors in State A and State B to act as policy leaders. The political environment supports such a role and local districts expect state-level leadership. Although the State C director may be absolutely less influential than his State A and State B counterparts, his ability to shape a strongly regulatory program, despite the state's political culture, indicates his relative strength as a policy leader. It would be difficult for the director in State D to play any but a passive role in program administration. A nonsupportive political environment and few organizational resources have meant that policy leadership in State D rests outside the SEA.

Program Coordination Within the SEA

In examining the implementation of handicapped education programs, we need to look not only at *what* an SEA does, but also at *how* it does it. Coordination between state and federal programs and with other agency activities is a critical aspect of an SEA's implementation strategy. Unlike compensatory education, state and federal handicapped education programs essentially operate as one program in all our four sample states. This coordination occurs because state laws now conform with the federal one and both programs serve the same students. Hence, monitoring and funding decisions can be handled in a coordinated fashion. State funds are allocated using the same child-count used in the combined 94-142 and 89-313 (Title I funds for handicapped children residing in state institutions) programs. Districts can outline how they will use federal and state monies in a single plan and then combine funds from both sources to operate a single local program.

The only major problem in coordinating state and federal programs that we observed exists in State C. Since 94-142 funds are forward-funded and state support is reimbursed on a prior-year basis, local districts cannot use a single funding application. Not only does State C's system require separate claim forms for state and federal funds, but also districts must submit multiple claim forms for state funds because different cost and student categories are authorized in separate categorical programs.

Despite program coordination within handicapped education, our sample states differ in the extent to which they coordinate handicapped education with other SEA activities. As might be expected from the discussion thus far, the special education divisions in State A and State B are fairly well integrated into the larger SEA. Like other federal programs in State C, handicapped education is isolated from the SEA's state-initiated activities. Since the entire State D SEA is basically a loose confederation of programs, it is not surprising that handicapped education is uncoordinated with other SEA activities.

Integration of handicapped education with the larger SEA occurs in two related ways in State A. First, handicapped education administrative funds are used to support some staff positions outside the division of special education. In this group are staff from curriculum bureaus such as physical education, vocational rehabilitation, and vocational education. A second way the special education division coordinates its work with other divisions is through joint activities. This strategy is particularly evident in vocational education, since a lack of such training for handicapped students was found to be a major weakness in the state's handicapped education program. Joint regional conferences were held for local special education directors and their vocational education counterparts. The two SEA divisions then collaborated on a follow-up booklet outlining the problems involved in providing vocational education for the handicapped and summarizing recommendations for future action. A training package has since been developed that can be used as part of State A's regional technical assistance network.

In State B coordination also occurs in two ways. Special education staff working in the central SEA office coordinate their activities with Title IV-C, handicapped education, and primary reading program staff. Staff from these areas are involved in preparing the state's 94-142 plan, and special education staff are similarly involved in establishing priorities for the IV-C and vocational education handicapped set-asides. Special education staff also participate in monitoring these projects.

A second level of coordination occurs in State B's regional centers. For example, in the regional centers we visited, Title I, special education, and vocational education staff regularly meet together along with their local district counterparts. In these meetings they decide who will take primary responsibility for specific groups of children and who will have secondary responsibility for supplementary services. Staff also discuss how various program funds can be most effectively combined.

In contrast with State A and State B, special education staff in State C have largely isolated themselves from the rest of the SEA. There is some coordination between special education monitoring staff and staff in the SEA unit that reviews district compliance with state regulations. In fact, joint monitoring visits are conducted for some of the state's larger school districts. Beyond this coordination, however, special education staff operate quite independently. Traditionally, special education staff did not work with the regional service teams, and at times made it difficult for team members to obtain information about special education that had been requested by their client districts. The regional service teams even held technical assistance workshops on aspects of handicapped education, yet SEA special education staff did not attend when invited. This situation has changed somewhat since the CSSO ordered the special education director to fund five regional service positions with handicapped education administrative funds. Although this change should promote better coordination between handicapped education and other SEA activities, the impetus for it was fiscal, not substantive. Because ESEA Title V support has decreased, the regional service teams needed an alternative funding source. Since handicapped education is one of the major problems facing client districts, special education administrative funds were a logical alternative. Perhaps fiscal stringency will bring greater coordination to handicapped education in State C. Until now, however, the special education division has purposely distanced itself from the SEA's emphasis on technical assistance, and instead has stressed local monitoring and compliance as its primary role.

Handicapped education, like the other programs administered by State D's SEA, operates independently of other parts of the agency. It has no incentive to do otherwise, since SEA leadership does not encourage cooperation or program integration. Besides, coordination across programs takes time, and with staff resources spread so thinly because of monitoring responsibilities, such coordination becomes a luxury.

Since program coordination is not required or even actively encouraged by the federal government, we would expect state-level factors to be more important in predicting the extent of SEA coordination in handicapped education. Only State C's situation seems not to be fully explained by such factors as SEA priorities and capacity. Given the agency's emphasis on coordinated technical assistance, we would expect handicapped education to be better integrated into this network. However, we need to remember that program coordination and a generalist approach to technical assistance are relatively new directions for State C's SEA. This approach is still developing; and because federal programs have traditionally operated independently of the rest of the agency, we would expect that they would be the last to change. We have some indication that fiscal stringency may have accelerated this movement toward greater coordination even in federal programs. Thus, even for State C, program coordination seems to depend more on state factors than on the federal context.

Handicapped Education and the SEA's Relationship with Local School Districts

We have already described our sample states' contact with local districts in the course of their local plan review, monitoring, and technical assistance activities.[25] One question remains, however: To what extent has 94-142 altered the SEA's traditional relationship with local districts? When 94-142 was first implemented, a number of states argued that federal monitoring requirements would force SEAs to change from a "friend" to a "policeman" in local district eyes.[26] Since we collected only the most limited local-level data, we are not in a position to report on local district perceptions of how 94-142 has altered their relationship with the SEA; but all four SEAs in our sample report that 94-142 has strengthened their regulatory control over local districts.

Even in State A, where local districts expect to be regulated by the SEA, 94-142 gave new meaning to the concepts of monitoring and compliance. SEA monitoring staff report that districts responded to initial site visits with hostility and a questioning of the state's authority. Even today much of that hostility remains despite well-institutionalized monitoring procedures and substantial district compliance.

Some SEA staff in State B originally reported that 94-142 threatened to alter fundamentally the state's traditional relationship with local districts. The actuality proved much less serious, perhaps because the state made a conscious effort to downplay monitoring and increase its technical assistance capacity in handicapped education.

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[25] SEAs also intervene in local districts in their mandated role as an appeals body for parents who are dissatisfied with the decisions of district committees on the handicapped and local hearing officers.

[26] Bruce O. Boston, *Education Policy and the Education of All Handicapped Children Act (P.L. 94-142)*, Institute for Educational Leadership, Washington, D.C., 1977, p. 25.

We have already noted that 94-142 monitoring requirements seriously contravene the strong local control ethos in States C and D. Since the Title I program in State C is strongly regulatory, local districts probably expected a similar emphasis in 94-142. But 94-142 requirements have caused State D's SEA to be even more heavily regulatory than it has been in other federal programs. In sum, because of 94-142, SEAs are now a much stronger presence in local districts. Federal mandates in handicapped education, together with fiscal stringency, also mean that this new SEA presence is often viewed by local districts as placing unrealistic expectations on them without providing sufficient financial or technical assistance.

The SEA's Relationship with the Federal Government

SEA contact with the federal government largely occurs during state-plan approval, in clarifications of federal regulations, and through federal monitoring visits. In contrast to the diversity we observed in SEA program activities, assessment of federal-level activities was quite uniform across our four sample states. Basically, SEA staff perceive both OSE and OCR as captives of handicapped education client groups. Consequently, SEA staff argue, the federal government has been insufficiently responsive to the problems that SEAs and LEAs face as they implement 94-142. It was not uncommon to hear comments like, "I'll bet there wasn't an educator within ten miles when the 94-142 regulations were written." Although the bulk of SEA special education staff strongly support the goals of 94-142 and act as advocates for the handicapped within their own agencies, most feel the federal government is unrealistic in its expectations of what can be provided to handicapped students, particularly with inadequate federal funding.

SEAs face some of the greatest problems in their dealings with the federal government when they attempt to obtain clarification on program regulations and guidelines. This problem is particularly serious in handicapped education because judicial rulings on such issues as related services (e.g., psychotherapy and catheterization), year-round schooling, and the use of IQ tests for student placement have not always been consistent across the country. The experience of State D is typical for our sample; over the past three years its SEA has asked OSE twelve questions about federal regulations. One of the twelve was answered verbally by OSE staff. For another question, the SEA received a written response on plain paper with no signature. The remaining ten questions remain unanswered. State D's SEA respondents also complained about inconsistent interpretations between

OSE and OCR and from one state plan to the next.[27] SEA staff requesting information about effective practices in such areas as child-find and complaint procedures have also been disappointed in the federal government's inability to provide it. Although states have varying approaches to these tasks and OSE is aware of such differences, the federal government has no way of assessing or even indexing this information. Consequently, state plans and monitoring visits are only used to document compliance, not as a basis for improving practice.

On-site federal monitoring, called program administrative review (PAR) visits, continues to cause concern and frustration among SEA staff. They have three chief complaints: insufficient federal preparation and knowledge about the state and its activities; federal conclusions about state and local compliance based on limited and cursory visits to local districts; and delays in reporting back to the states by OSE staff. The special education director in State A characterized the PAR visits as "Keystone-Coppish." SEA staff who accompanied the PAR team described its approach as "shoddy." In State A, federal staff visited nine or ten local districts within three days, one visit lasting only twenty minutes. The team was unclear in its requests to district officials and later accused the district of not having parental consent forms on file, although the PAR team had never asked to see them.

SEA staff in the other three states voiced similar complaints. As staff in State B noted, the state's federal-plan officer is often not a member of the PAR team. Team members read only the state plan and several local applications, and know little or nothing about the state's unique problems, program priorities, politics, or geography. State C reported that the PAR team cited one of its local districts as out of compliance after looking at only one student folder. State C waited four months for a draft report on its PAR visit and then was expected to reply within 30 days. State D reported that the SEA's response to a preliminary draft of OSE's site visit report was not reflected in the final report.

In sum, the relationship between our sample SEAs and OSE is not mutually productive. To some extent, the problems and tensions generated by 94-142 are similar to the federal government's historical relationship with states through other federal programs such as Title I. But there may be one major difference: The reluctance to serve a federally designated population that exists in some states for Title I is not present in handicapped education. Although states may balk at providing what they consider to be medical services as part of a child's educational program, special services for the handicapped are viewed as legitimate and enjoy considerable political support. Therefore, we did not observe the anger at the federal government often present for other federal programs that are seen as "ramming something down the states' throats." Rather, in their attitudes toward OSE, SEAs reflect resignation and almost a kind of sadness that their problems cannot be resolved more smoothly.

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[27] For a further discussion of this problem, see Council of Chief State School Officers, p. 12. One way some of the states have addressed the problem of inconsistent federal interpretations across states has been to establish an informal group. Special education directors from seven of the nation's largest states now meet three times a year to discuss their relations with the federal government and to share solutions to common problems.

Implementation Gaps

Several years after its initiation, 94-142 is still not a fully implemented program. Both professional educators and parent groups in our four states agree that few handicapped children remain to be identified. The vast majority have been diagnosed and are receiving at least some special services. But these services are neither always appropriate nor sufficiently comprehensive. For the most part, due process procedures are also in place, but parents often fail to take advantage of them because of insufficient information.[28]

As numerous discussions of handicapped education have indicated, inadequate financing is one of the program's most serious problems. Our respondents felt that, largely because of the state's financial contribution, funding is adequate for basic supplementary services (e.g., speech therapy, small-group instruction) for handicapped students, but that transportation and private placement pose serious cost problems. All four of our states have substantial enrollments in rural areas, which means that small numbers of students must be transported over considerable distances, thus increasing per capita costs. For example, local districts in State D must pay $3000 to $4000 a year to transport deaf children.[29] Private placements usually constitute less than one percent of a state's handicapped student population, but such services tend to be costly, often in excess of $20,000 a year if out-of-state placement is required. Although such placements constitute a small fraction of the total costs of handicapped education, they place a burden on local districts that are required to share part of these costs with the state. Again, the burden is particularly great in smaller districts. Related services such as catheterization also strain district budgets, and in some cases are simply not provided. State teacher organization representatives reported that the lack of such services seriously compounds the problems faced by regular classroom teachers as they attempt to mainstream handicapped children into their classrooms.

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[28] One of the problems many of our respondents noted is the middle-class bias of 94-142. Parents and professional educators alike argued that 94-142 assumes that a high level of parental participation can be guaranteed and that parents will have sufficient information and expertise to press their child's interests before committees on the handicapped and, possibly, hearing officers. Regional SEA staff in State B talked about the difficulty of ensuring such parental participation in rural areas with high illiteracy rates, where some parents can only sign the IEP with an "X." Similarly, local district staff in State C's largest city discussed the problems in trying to encourage poor parents to come in and discuss their children's programs.

Our findings correspond with those reported by Michael Kirst and Kay Bertken in their study of special education fair hearings in California. They found that low-income and minority parents participated less often in hearings than their numbers in school districts would predict. See "How Fair Fair Hearings?" *IFG Policy Notes*, Vol. 2, No. 1, Winter 1981, pp. 4-5.

We have already discussed the major gaps in inservice training for regular classroom teachers. This is probably the greatest problem facing handicapped education in terms of the resources needed to rectify it and its effect on student outcomes.

But personnel problems in handicapped education are not limited to regular classroom teachers; all four states reported shortages in specialized personnel. The most acute are shortages of physical therapists, occupational therapists, and speech clinicians. Although SEAs are required to design a comprehensive system of personnel development as part of their state plans, implementing it is another example of the limits on SEA authority. The SEA must depend on the state's postsecondary institution to train needed personnel, and although the SEA can work with colleges and universities and encourage them, it has no independent authority to establish or enlarge such training programs. For example, State D needs occupational and physical therapists, but no institution in State D offers this training.

Other problems vary from state to state and often revolve around classification and due process issues. For example, State A must address the issue of classifying LD students correctly, and State B the preponderance of black students in EMH classes. State C is dealing with the issue of how to evaluate handicapped students for purposes of the state's high school competency tests. As more states require competency tests for high school graduation, the question of how to treat handicapped students equitably will become even more important.

This summary of implementation gaps in our four sample states suggests that while some process issues still present problems, most revolve around substantive issues such as appropriate services and adequately trained personnel. These problems are unlikely to be resolved quickly in the face of fiscal stringency and limited new resources for handicapped education.

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[29] For a discussion of this problem on a nationwide basis, see *Education Daily*, September 24, 1980, pp. 5-6, and December 10, 1980, pp. 3-4.

SUMMARY AND CONCLUSIONS

The handicapped education programs in our four sample states are similar in several basic ways. State laws were changed to conform with the federal statute; state funds for handicapped education have been increased to meet 94-142 mandates; IEPs are now prepared for handicapped students; required due process procedures are in place; and even in State B, with its emphasis on technical assistance, monitoring activities consume a great deal of time. The four states also share common implementation problems and similar difficulties in their dealings with the federal government. At the same time, the summary in Table 5.2 indicates that our sample states show striking differences in how they manage their handicapped education programs. Variation occurs not only in funding formulas and program activities, but also in the extent to which handicapped education is integrated into the rest of the SEA.

At the beginning of this chapter we noted that 94-142 is one of the most precisely worded pieces of federal education legislation and that it conveyed clear and strong signals to the states. In explaining state implementation strategies, then, we need to ask whether federal factors have so overwhelmed state characteristics that handicapped education is essentially a federal program in our sample states. At one level, this seems to be the case. Certainly, the federal context has dictated state-level behavior in the areas of due process, IEP preparation, monitoring, and related services. Even State A, whose own orientation is closest to that of the federal government, would not operate its own program in the same way if federal constraints were removed. Also, certainly, federal-level factors explain why state handicapped education programs emphasize process over substance and account for the rapid increase in handicapped education expenditures.

Although the basic mandate to serve all handicapped children in the least restrictive environment and the elaborate due process mechanisms established by 94-142 lie at the core of each state's program, there are still important elements that vary across the states and can be explained by unique state characteristics. The most obvious example is State B's emphasis on technical assistance and its reduced emphasis on monitoring. Another is the differing degree of program integration within each sample SEA. In fact, by only know-

Table 5.2

HANDICAPPED EDUCATION IN FOUR SAMPLE STATES

State A	State B	State C	State D
State Law Prior to 94-142			
Yes, mandated services for handicapped children, but no IEP required	Yes, mandated services for handicapped children, but no IEP required	Yes, mandated services for handicapped children, but no IEP required	Yes, provided some services, but did not mandate instruction for handicapped children
State Funding Formula			
Weighted student aid formula (2.7)	Weighted student aid formula (1.75)	Cost-based, funds reimbursed on prior-year basis through several categorical programs	30 percent of average excess cost
State Program Regulations (in Addition to Federal Requirements)			
Certification requirements for special education personnel	Certification requirements for special education personnel	Certification requirements for special education personnel	Certification requirements for special education personnel
Class size limits	Class size limits	LEAs must spend 10 percent of their 94-142 funds on teacher inservice	
Membership categories for local committees on the handicapped specified	Mandated IEPs for gifted and talented students		

Monitoring Local Districts			
Major priority, 70 percent of SEA staff do full-time monitoring	Secondary priority, less than 10 percent of SEA staff do it full-time, rest only part-time	Major priority, 70 percent of SEA staff engaged in compliance-related activities	Major priority simply to comply with federal regulations. All SEA staff monitor LEAs
Technical Assistance			
Secondary priority. Mostly indirect through intermediate units. Good SEA-developed printed materials	Major priority. Direct through SEA central office and regional staff	Secondary priority. Direct through regional service teams, indirect through LEA set-aside. Good SEA-developed printed materials	Secondary priority. Indirect through contracts with LEAs, intermediate units, and post-secondary institutions
Program Coordination Within the SEA			
Good, cross-funding of positions and joint activities	Good, joint planning and activities	Little, recently some cross-funding of positions	None
Relationship with LEAs			
Regulatory, consistent with traditional state role	Assistance-oriented, monitoring down-played. Consistent with traditional state role	Regulatory. Like other federal programs, but inconsistent with SEA role and political culture	Regulatory. Inconsistent with state role

ing about a state's political context and SEA characteristics, but with no specific knowledge of its handicapped education program, we could predict the extent to which handicapped education is coordinated with other SEA programs. SEA priorities and management style, not federal program characteristics, predict this aspect of each state's implementation strategy.

To some extent, then, state factors can modify federal-level variables and allow a state to stamp its own imprint on even the most tightly structured federal program. But not all states are able to do this equally well. State D is an example of a state where handicapped education is essentially a federal program with few unique state elements. This situation can be partly explained by such state characteristics as SEA leadership, capacity, and priorities, and by a political culture that does not support a strong state role. But the tremendous costs of participating in 94-142 are at least equally significant in explaining State D's implementation strategy. Even if State D's political culture supported a stronger state role, most SEA staff resources would still have to be diverted to mandated activities such as state-plan preparation and local district monitoring. A stronger state role necessitates staff resources that are presently unavailable in smaller states, particularly those with a large number of school districts. This suggests that program quality and institutional capacity might be improved if the federal government could treat states differentially depending on their size and geographic configuration. The fixed costs of state participation could also be reduced if 94-142 funds were allowed to flow directly into those states whose own laws include certain core protections. In other words, some federal requirements could be waived on the condition that state laws guarantee a certain level of services and specific due process safeguards.

The federal government might consider a number of other changes as part of handicapped education's natural maturation process. An obvious example would be to modify 94-142 so that SEAs and LEAs are responsible only for those services normally delivered by schools.[30] As we have noted, such a change would simply reflect existing limits on SEAs' authority and their inability to constrain the activities of other governmental agencies. Numerous other incremental changes can also be made in such areas as program plan review, defining related services, and federal monitoring visits.

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[30] In a recently prepared working paper, SEP staff have recommended a limit on the number of related services that school districts must provide and greater state discretion in deciding which services are to be required under 94-142. These changes are likely to be incorporated in new 94-142 regulations which will be published within several months. See June Behrmann, "Regulations Changes Would Ease Compliance Paperwork Burdens in Handicapped ED Law," *Education Times*, February 1, 1982.

But perhaps the most important issue facing 94-142 is the lesson this program can learn from the Title I experience. In many ways, regulation and compliance have become the core of Title I, rather than program content or good teaching practice. At one level, 94-142 has the potential to avoid this problem. In contrast to Title I's emphasis on controlling the use of program funds, 94-142 focuses on service entitlements and procedural fairness, and less on where funds for services should be obtained.[31] Consequently, 94-142 has not become bogged down in all the fiscal accounting detail that afflicts Title I. In fact, SEAs and LEAs have considerable discretion in how they spend 94-142 funds.

Despite this fiscal flexibility, however, 94-142 is in danger of following the programmatic history of Title I and continuing to stress compliance at the expense of program quality and institutional capacity. Certainly, this trend is reflected in the states' emphasis on monitoring and procedural issues. The states are simply taking their cues from the federal government and stressing those areas that OSE is likely to focus on in its own compliance checks. Although we know that attention to other program components varies from state to state (depending on a state's own priorities), all states would devote more attention to substantive matters if the federal government encouraged it.

The issue for handicapped education is whether it will mature differently from Title I. Given more substantial state and local political support for it as compared with compensatory education, handicapped education has the potential to become less regulatory in its approach over time, with more attention paid to program quality and institutional capacity.

The final chapter summarizes what we have learned from this study and previous ones about state approaches to implementing education policy, and then discusses the implications of these findings for changing federal and state roles in education.

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[31] Birman, pp. 7-8.

Chapter 6

THE STATE ROLE IN CHANGING TIMES

Perhaps our most startling experience during this study has been watching the policy environment shift so dramatically over a scant eighteen months. ESEA, which dominated federal education policy for over fifteen years, is now terminated, and its successor programs are unlikely to play anything but a very modest role in states and local school districts. The fiscal stability of state governments is so threatened by recession and statutory tax and spending limits that the National Governors Association reports that 30 states will end the current year with a deficit or with only a one percent surplus. These changes mean that states will be unable to continue "business as usual" and that policy analysts will have limited ability to predict future state behavior or to recommend preferred options for federal and state officials. Prior analyses of state politics were based on assumptions of public sector growth and the federal government's active involvement in education policy. Thus far, no new conventional wisdom has emerged to replace these increasingly outmoded notions.

Despite these difficulties, three of our major study findings provide some insight into how states are likely to behave in the near future:

- The amount of resources an SEA commands and the way the agency defines its role primarily depend on political factors, not on organizational or technical factors.
- Programs for special needs students enjoy little visibility or support in state government.
- Although it is still limited in some important areas, such as policy analysis and long-range planning, SEA capacity has increased significantly over the past fifteen years.

In this final chapter we explore what these findings imply for the state role in an emerging climate of fiscal retrenchment and a reduced federal role. This involves using data from this study and previous ones to speculate on how effectively SEAs will serve local districts in the future; how attentive they will be to special needs students; and how well they will respond to increased responsibility and discretion.[1]

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[1] In particular, this analysis draws on McDonnell and McLaughlin, McDonnell and Pincus, and unpublished research by McLaughlin.

STATE ROLE AS A POLITICAL ISSUE

To say that a state's education policy role results primarily from political factors is perhaps to belabor the obvious. SEAs understand this constraint; governors and state legislatures, by definition, act politically in their efforts to shape SEA behavior; and interest groups know that success depends on their ability to mobilize the support of the political system. Yet it is not uncommon for policymakers and administrators alike to underestimate the powerful effect of state political factors.[2]

One of the best examples of this miscalculation is the extent to which the federal government persistently overestimated the autonomy and authority of SEAs. In deciding to treat them uniformly and impose the same categorical program requirements on all states, the federal government made a number of implicit assumptions about the balance of political power within the states—notably, that state control over local districts is strong enough to force them to comply with federal program mandates. That assumption is correct for some states, but for states with a strong local control ethos, it is not. Consequently, in some states federal categorical programs have severely distorted the traditional state-local relationship.

Federal officials have misunderstood not only how political culture constrains state authority over local jurisdictions, but also the limits of SEA influence within state government. P.L. 94-142 regulations, which hold SEAs responsible for the education of children residing in institutions operated by other state agencies, and for related, noneducational services also within the jurisdiction of other agencies, illustrate how this misunderstanding of state political realities complicates federal program implementation. SEAs in fact have no effective authority to shape decisions within these agencies.

Now, as the federal government moves to reduce its role in public education, it has reversed its assumptions about political relations between states and localities. Instead of assuming that state government is preeminent, the federal government has now accorded that position to local districts. For example, Chapter 2 of the new education block grant (ECIA), which takes effect in July 1982, requires that SEAs allocate at least 80 percent of a state's grant directly to local districts; LEAs have "absolute discretion" to spend this money as they wish within any combination of three broad categories: basic skills development, educational improvement, and special projects. In other words, local districts have gained flexibility at the expense of state government. Thus, states that have traditionally set limits and established priorities for local spending can no longer do so with this federal money.[3] ECIA Chapter 1's reduction of support for SEA administration from 1.5 percent to 1.0 percent also signals a reduced state role in local implementation of compensatory education programs. SEAs that have shaped local efforts through technical assistance or support for planning and evaluation will be hard pressed to continue these efforts. Instead, SEA management is likely to be defined primarily in terms of check-writing and mandated reporting and auditing responsibilities.

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[2] In his examination of state human service agency reorganizations, Lynn reaches a similar conclusion about the degree to which those involved in state-level organizational reform mistakenly see it as an essentially technical issue, rather than a political one. See Laurence E. Lynn, Jr., *The State and Human Services: Organizational Change in a Political Context*, MIT Press, Cambridge, Massachusetts, 1980.

Ironically, these new federal assumptions will produce a dysfunctional effect similar to those generated by the former categorical programs. In promulgating an administrative solution to a political problem, the federal government has once again upset the traditional balance of power within some states. Categorical program regulations assumed too much state and SEA power in states like D, and thus distorted the traditional state role; now the federal block grant assumes that local districts are preeminent and thus undermines the traditionally strong state role in states like A.

To continue as a responsible partner in the intergovernmental system, the federal government needs to become more sensitive to differences in political traditions across states and ensure that its actions acknowledge historical distributions of power between state and local governments. One obvious way to accomplish this is to allow governors and state legislatures to decide whether SEAs can impose additional restrictions or priorities on district use of Chapter 2 funds. Another is to treat states differentially, at least to the extent of framing federal program requirements that acknowledge variation in a state's enrollment and in the number and size of its school districts. This approach would help states that presently lack the capacity to do anything but monitor local districts. Although such a change would not guarantee that staff resources freed by fewer monitoring responsibilities would be diverted to technical assistance, at least the opportunity would be there for those states whose political culture and priorities would be amenable to such a change. Also, as we suggested in Chap. 5, modifying 94-142 to include only those services normally within the jurisdiction of SEAs would acknowledge limits on SEA authority and their inability to prescribe what services other state agencies should deliver.

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[3] Other analysts seem to share our conclusions about lessened state authority under the new education block grant. See Robert Silverstein and Sandra McMullan, "Questions Arise about New Block Grant Law," *Education Times*, September 14, 1981, p. 6.

Although SEA officials understand the relationship between state politics and public education better than their federal counterparts, not all of them are equally adroit in acting on that knowledge. Yet in the present policy environment, the need for political skills is more critical than ever if SEAs are to serve local districts effectively. With fiscal retrenchment, declining enrollment, and a reduced federal role, local districts now face problems they have never faced before, and are unlikely to solve on their own. In fact, one finding that emerged from our earlier research on local districts was that even in states where local control norms are strong, district officials now need and expect greater assistance from their SEA.[4] Whether SEAs can provide it will depend on the support and resources they receive from general government—which in turn will depend partly on their political skills.

This study has shown that political support for a stronger SEA role can be mobilized if governors, legislatures, or SEAs can present a convincing case that improved educational quality will enhance a state's economic development. In another survey of state efforts to improve educational quality, we found that governors and state legislatures are likely to strengthen an SEA's role either as a response to constituent demands for improved educational quality or because they believe that increased state spending for education necessitates greater local cost-efficiency and accountability.[5] In sum, SEAs need general government support if they are to meet local district needs; that support will only be forthcoming if SEAs can sell themselves to general government on either economic efficiency grounds or as a way of responding to the demands of broad-based and politically active constituencies.

It is not easy, in a time of fiscal retrenchment, to convince general government that it should pay greater attention to substantive issues of educational quality. Governors and state legislators are overwhelmed with just trying to cut costs and balance state budgets; in such an atmosphere, substantive concerns often seem like unaffordable luxuries. Elementary and secondary education must also compete with other policy areas such as higher education, where the state's preeminent responsibility is clearer. Faced with too many problems, too little time, and shrinking resources, it is easy for legislators to dismiss elementary and secondary education as a local responsibility, even in states with a traditionally strong state role.

There is no question that an SEA's ability to serve local districts and shape education policy will depend more and more on its political skills. With the federal role in education declining, SEAs can no longer rely on federal funding and their responsibility for enforcing federal program regulations as justification for their continued existence. SEAs will have to mobilize political allies and convince an increasingly overburdened and politicized state government that they are important and useful.

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[4] McDonnell and McLaughlin, p. 105.
[5] McLaughlin, p. 1.

THE STATES AND SPECIAL NEEDS STUDENTS

With the exception of handicapped education, programs for special needs students are generally not a state priority. This finding is one of the strongest that has emerged from this and previous studies. Few governors and state legislators support categorical funding, and with the exception of handicapped education, groups representing special needs students command little visibility or political influence.[6] As a result, SEAs are limited in the emphasis they can legitimately give to special needs students.

The implication of this finding is clear: Unless the federal government maintains its commitment to special needs students, they will receive fewer services than in the past, particularly low-income students who have virtually no organized voice in state capitals.[7]

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[6] In his study of state human service organizations, Lynn reached similar conclusions about the weakness of categorical interests once federal restrictions on state actions are removed. Lynn, pp. 172, 182.

[7] The first instance in which we are likely to see reduced commitment to special needs students will be in the state allocation formulas for the ECIA block grant. SEAs are required to allocate funds to local districts on the basis of LEA enrollment, adjusted to acknowledge the proportion of high-cost students in a given district. However, our research on the analogous Title IV-B formula indicates that state ECIA formulas will be unlikely to serve any redistributional purpose. In examining IV-B formulas in all fifty states, we found that approximately one-third of the states used three or more, often exclusive, indicators to define the high-cost factor in their IV-B formula—for example, proportion of low-income children, population density, proportion of bilingual, gifted and talented, and handicapped students. The practical effect of these multiple indicators was to make the high-cost factor inclusive of a large number of students, thus closely approximating general enrollment. Given this state approach, it is not surprising that the most significant factor in determining the size of a district's IV-B grant was general enrollment. In fact, we found a nearly perfect correlation (.99) between the number of students enrolled in a district and the size of its IV-B grant. Title IV-B served effectively no redistributional purpose. See McDonnell and McLaughlin, pp. 6-7.

Given that Congressional intent is even vaguer for the block grant formula, we would predict the same distributional effect as for IV-B. Without stronger Congressional direction, states are likely to minimize high-cost students as a distributional criterion. The Title IV study also showed that even where high-cost students generated additional funds for LEAs, these funds were not then spent on high-cost children. Again, we would expect the same pattern under the block grant. The majority of funds

Even in those few states with a strong, substantive commitment to special needs students, fiscal retrenchment is likely to prevent state government from replacing lost federal funds with its own revenues. Without a continuing federal commitment, the best hope for special needs students lies in those states that are trying to improve their entire educational system. Even in those states, special needs students are unlikely to receive additional services, but they should at least benefit marginally from increased attention to good teaching practices and a more accountable system.

Current federal programs for special needs students, even if continued intact, could be improved. Our research on state implementation patterns has identified several areas where federal programs can certainly be improved. At the same time, we would stress that as federal programs undergo modification and reform, the integrity of targeting requirements needs to be maintained if special needs students are to be served adequately. Otherwise, they will receive a smaller proportion of the federal aid pie than they have in the past, and low-income students will lose more than other special needs categories.

Assuming that present federal policy does not portend abandonment of federal commitment to special needs students, we would argue that it needs to pursue two objectives: to protect the interests of special needs students by maintaining clear targeting requirements and, at the same time, to give the states maximum flexibility in the programs they design to serve these students. We believe that these two goals can be pursued most effectively by a number of incremental, though profound, changes in past and present federal policy approaches. Such changes would include restructuring federal programs to emphasize program content once basic compliance mechanisms are in place; reducing the fixed costs of participation in federal programs for smaller or more rural states; and moving the large federal programs for special needs students closer to an ESEA Title IV-C model that encourages states to fit federal programs within their own state program framework. Such changes would encourage states to extend to federal program administration, the capacity they have developed in managing their own programs.

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will be spent on a per capita basis and special needs students will not receive proportionately more services.

This prediction is also consistent with the findings from studies of other federal block grants. See, for example, U.S. General Accounting Office, *The Community Development Block Grant Program Can Be More Effective in Revitalizing the Nation's Cities*, Report to the Congress of the United States by the Comptroller General, Washington, D.C., April 30, 1981, p. 7, and George D. Greenberg, "Block Grants and State Discretion: A Study of the Implementation of the Partnership for Health Act in Three States," *Policy Sciences*, Vol. 13, 1981, p. 155.

Since previous chapters have already discussed the IV-C model and reduced program participation costs for smaller states, we will briefly focus here on another reform option related to program maturity. We believe that federal programs can be structured differently, depending on their maturity as social policies. As we noted in Chap. 4, the new ECIA legislation has significantly changed elements of the Title I program. But while arguing that the federal government should use a differential strategy, depending on program maturity, it is still instructive to compare the former Title I program with 94-142. Title I is an older program with its targeting and procedural requirements basically in place. Given that the states are in substantial compliance with Title I mandates, it would now make sense for the federal government to concentrate less on procedural requirements and more on program substance. Such a shift means that the federal government would send differential cues to the states through its program regulations and monitoring procedures. While basic student-targeting requirements would remain, the federal government could relax other oversight requirements, thereby freeing state program resources to provide more technical assistance on program planning and content.

Under that system, for example, except for states that may have experienced substantial compliance problems, most states could submit less detailed state plans less often than they do presently. Monitoring of local districts could be reduced and the resources freed thereby could then be spent on such activities as workshops on successful program management or how to teach various types of Title I students more effectively. Likewise, the time and money presently spent on federal monitoring could be used to hold regional workshops for exchanging information among the states. ED staff might also spend more of their time identifying effective Title I projects and brokering resources among the states. As with differential treatment for smaller states, this approach would not guarantee that states and local districts would pay more attention to technical assistance or program content; but given that compliance with Title I is already substantial, some loosening of federal requirements would not seriously degrade compliance and would probably stimulate more attention to program substance in many states and school districts.

Title I contrasts with 94-142, a younger program still experiencing compliance problems. At this stage of 94-142's development, federal goals are probably best served by a framework that stresses regulation and due process over program content or quality. But the federal government needs to be sensitive to issues of program maturation and the point at which regulatory approaches no longer produce significant results. At that time, both federal and state roles need to change. For federal staff, it means concentrating less on monitoring and enforcement, and more on identifying effective practices and disseminating this information among the states. The preferred state role would be similar, with cues from the federal level now reinforcing this approach. Neither Congress nor ED has been particularly sensitive to the fact that the federal role needs to change as a policy matures. Over time, states and local school districts accept the compliance requirements that federal programs impose on them. Once this happens, regulatory issues need to recede and a focus on substantive program development move to the forefront of federal concerns. However, in advocating that federal requirements be reduced as programs mature, we are not arguing that *all* requirements should be abandoned. We know from our research on state politics that targeting requirements need to be retained if the basic integrity of programs for special needs students is to be preserved.

SEA CAPACITY

The former stereotype of the "backward SEA" is no longer valid. Even those agencies with the fewest resources are able to do more than they could fifteen years ago, and most SEAs are capable of providing significantly more services to local districts. As we have seen, new technical assistance strategies constitute the most impressive area of SEA improvement. Many states now have some form of intermediate unit, whether it be a branch office of the SEA or a locally governed one, and as a result, mechanisms now exist to provide more and better services to local districts.

Much of this increase in SEA capacity resulted from the availability of federal capacity-building funds like ESEA Title V. As we indicated above, once such funds start to decrease, SEAs will need to rely more and more on political skills to maintain their capacity. Of course, political skills alone will not suffice in a time of fiscal retrenchment; SEA officials must also seek ways of making their agencies more productive and cost-effective.

Agency reorganization is often viewed as one way to improve SEA capacity. Now that the federal government is moving away from its emphasis on categorical programs, more SEAs are likely to consider changing the categorical basis on which their own agencies are organized. Since many SEA organizational structures are an artifact of the federal aid framework, these agencies will lose their organizing rationale once more federal programs are consolidated. Consequently, not only a search for greater effectiveness, but also the changed federal emphasis, may prompt many SEAs to reorganize away from a categorical structure to a more functionally oriented one.

Contrary to our expectations, however, we found that organizational structure does not, in and of itself, predict how well an SEA will coordinate its activities. An integrated approach to program management depends not on SEA structure, but on the preferences of agency leadership and whether they stress coordination as an organizational priority.

This finding suggests that in addition to all the distributional issues, adjustment to federal block grants may present some difficult internal problems for SEAs. These problems cannot be "reorganized" away; instead, they will necessitate a massive resocialization effort in many SEAs. This will be particularly true for those SEAs that have managed federal programs differently and independently from state ones. Still, our research has identified effective SEA models of integrated program management; and, although these models cannot be transferred without modification from one state to another, they present concrete options for dealing with problems common to many states.

Fiscal retrenchment means that even the areas of greatest SEA capacity, such as technical assistance strategies, will need to be reexamined. The traditional model of SEA curriculum specialists working with individual districts is no longer economically feasible in most states. As we noted, many states have already begun to modify their technical assistance strategies with the introduction of intermediate units and the use of generalists with problem-solving expertise, rather than a curricular specialty. But since this model may not be appropriate for all states, SEAs need to consider their current staff capacity and relationship with local districts before they change technical assistance strategies. For example, since it is unlikely that new staff can be hired in most states, what are the financial and psychological costs of retraining existing staff? Does it make sense for an SEA to create branch offices throughout the state or should it devolve more resources to locally governed district consortia?

SEAs will also need more accurate estimates of how much it costs to deliver various services. For example, is it more cost-efficient for SEA staff to provide such technical assistance services as teacher training workshops, or to contract for them with other agencies, such as colleges or universities? Is it more efficient for the central SEA office or for regional staff to review local funding applications? What does it cost to separate technical assistance and monitoring responsibilities? Is the additional cost worth the gain in local access and program effectiveness? These are the kinds of questions SEAs have to ask as they think about different ways of meeting their responsibilities to local districts. We would argue that although no one state has the answers to all these questions, the states as a whole have the necessary information and experience for answering them. The problem is collecting and analyzing these data so that states can learn from each other's experience.

The capacity to serve local districts effectively depends on a number of other SEA functions, particularly an agency's ability to analyze and apply relevant trend data, and to formulate long-range plans based on local district needs, the SEA's own organizational goals, and its anticipated resources. SEA capacity is generally weakest, however, in long-range planning and policy analysis. SEAs are accustomed to planning in the narrow sense of preparing federal program plans and annual budgets to submit to the governor and state legislature. But most are incapable of long-range planning—of deciding where and by what steps the SEA and state education policy should move over the next five years—or of projecting, except in the grossest sense, where the state's major educational problems are likely to occur.

Unfortunately, if that capacity was not developed in a time of public sector growth, it will be almost impossible to develop in a time of retrenchment. Yet the need for long-range planning is much greater now than it ever was during growth periods. Given limits on individual SEA resources, it seems to us that the states' best hope for building such an analytical capacity is to work together in either regional or national consortia. Although individual states need planning systems that suit their own context, the basic analytical expertise can be provided centrally in much the same way that intermediate units provide assistance to local districts.

To some extent, SEAs have a tradition of working together through such organizations as the Council of Chief State School Officers (CSSO) and the Education Commission of the States (ECS). But these collective efforts have usually been narrow and have not involved mutual assistance or shared institutional resources on an ongoing basis. For example, ECS's work has largely focused on school finance questions. The CSSOs' organization and others, such as the associations of state Title I directors and handicapped education directors, have concentrated most of their energies on modifying federal program legislation and regulations. In the future, however, such organizations may be able to work together on broader issues of institutional development.

CONCLUSIONS

Policy studies are rarely conclusive in their predictions and recommendations. In this case, certainty is even more elusive because

American public policy and the intergovernmental system that supports it are now undergoing such radical change. Still, the analysis presented both in this study and previous ones suggests that even in the face of fiscal retrenchment and decreased federal aid, many states have sufficient capacity to play an active role in shaping education policy and in assisting local districts.

An unanswered question is whether sufficient political will exists to maintain and strengthen that capacity. How each state resolves this issue depends on whether SEAs and their allies can make a strong enough case for their continued existence and can mobilize the political system accordingly. That will take time, and the outcome is uncertain.

One thing is certain, however: Most states have insufficient political commitment to provide additional services for special needs students. With perhaps the exception of the handicapped, a reduced federal role means fewer services for these students. Federal categorical programs need to be reformed, but to weaken the federal partnership with states and local districts that has existed for the past fifteen years is to harm a largely powerless and needy constituency.

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